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19 September 1977

YUGOSLAV LAW ON MARITIME,
INLAND NAVIGATION

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Part One. General Provisions

Article 1

This law's provisions regulate the following: the basic elements of the safety of navigation on the sea and inland waters of the Socialist Federal Republic of Yugoslavia; safety of navigation on waterways in the coastal sea and inland waters of the Socialist Federal Republic of Yugoslavia on which the international or intergovernmental rules prevail; basic legal relations concerning vessels as property; contractual and other binding relations pertaining to vessels; and procedures pertaining to ship registration, limitation of water carrier's liability, liquidation of general average losses, and execution and attachment of ships as security.

The provisions of this law shall apply to maritime vessels and inland vessels which have Yugoslav nationality, to navigation in the coastal sea and inland waters of the Socialist Federal Republic of Yugoslavia, and to the relations which arise in connection with that navigation, unless this law states otherwise.

Article 2

Vessels which have Yugoslav nationality (hereafter referred to as "Yugoslav vessels") are under sovereignty of the Socialist Federal Republic of Yugoslavia when they are on the high seas, in conformity with the rules of international law.

Article 3

The provisions of this law pertaining to vessels (ships) shall also apply to small craft (boats) only if this law explicitly so provides.

Article 4

The provisions of this law shall apply to military vessels only if this law explicitly so provides.

Article 5

Usages shall also apply to relations which are not regulated by this law, by other regulations enacted on the basis of law, by other laws or by a general self-management act.

Article 6

Unless this law states otherwise, the various expressions used in this law have the following meanings:

1) maritime navigation or shipping is navigation on the sea, on rivers opening into the Adriatic Sea as far as they are continuously navigable from the sea and on Lake Skadar and Rijeka Crnojevica;

2) inland navigation or shipping is navigation that takes place on rivers, canals and lakes, except on rivers flowing into the Adriatic and on Lake Skadar and Rijeka Crnojevica;

3) the merchant marine includes maritime vessels and inland vessels, except for military vessels;

4) a vessel or ship is a maritime vessel or an inland vessel, but not including a military vessel;

5) a military vessel is a vessel which is under the command of an officer of the armed forces of the Socialist Federal Republic of Yugoslavia, whose crew is military or subject to military discipline and which is required to fly recognition signs of Yugoslav military vessels when there is a need to make its status known;

6) a maritime vessel is a vessel of the merchant marine equipped for maritime navigation whose registered length is 12 meters or more and whose registered volume is 15 gross registered tons or more;

7) a maritime passenger vessel is a maritime vessel authorized to carry more than 12 passengers;

8) a maritime cargo vessel is a maritime vessel which is not a maritime passenger vessel;

9) a maritime service craft is a maritime vessel intended for performance of technical operations (dredge, crane, platform for petroleum exploration and production, etc.);

- 10) a seagoing boat is a craft of the merchant marine intended for maritime navigation whose registered length is less than 12 meters, and whose registered volume is less than 15 gross registered tons;
- 11) an inland vessel or ship is a craft of the merchant marine equipped for navigation on inland waters whose overall hull length is precisely 15 meters or more and whose hull beam between the outside surfaces of the plating is 3 meters or more, or whose maximum displacement is 15 tons or more, and a towboat or pushboat regardless of length, beam or displacement;
- 12) an inland passenger vessel is an inland vessel authorized to carry passengers;
- 13) an inland cargo vessel is an inland vessel intended for the carriage of cargo;
- 14) a towboat or pushboat is a craft intended for towing or pushing other craft;
- 15) a powered inland vessel is an inland vessel which has its own engine for propulsion;
- 16) a nonpowered inland vessel is an inland vessel which does not have its own engine for propulsion and an inland vessel whose engine is used for small local movements (in the harbor or at other places for loading or unloading) or to enhance its maneuverability for pushing or towing;
- 17) an inland service craft is an inland craft equipped with mechanical devices for performance of technical operations on inland waters with or without its own engine for propulsion;
- 18) an inland boat is a small craft of the merchant marine, but not including towboats and pushboats regardless of their length, beam and displacement, intended for navigation on inland waters whose hull length is less than 15 meters and whose beam is less than 3 meters, or whose maximum displacement is less than 15 tons;
- 19) a nuclear vessel or ship is a maritime vessel with nuclear propulsion;
- 20) a fishing vessel is a vessel intended and equipped for catching fish or other living creatures of the sea or waters;
- 21) a yacht is a vessel used noncommercially for pleasure, sport or recreation;
- 22) a public ship or vessel is a vessel of which the holder of the right of possession or the operator is a sociopolitical community or its agency, and which is not a military vessel and is used exclusively for noncommercial purposes;

- 23) an inland tanker is an inland vessel intended for the carriage of liquid cargo;
- 24) a vessel under construction is the body of a vessel from the moment the keel is laid or similar construction procedure performed until it is entered in the register of ships;
- 25) an existing ship is a ship which is not under construction;
- 26) a foreign merchant ship or vessel is a maritime vessel which has foreign nationality or an inland vessel entered in a foreign register of ships;
- 27) a foreign military ship or vessel is a vessel which is under the command of an officer of foreign armed forces, whose crew is military or subject to military discipline, and which is required to fly external recognition signs of military vessels of its nationality whenever it is necessary to make its status known;
- 28) a foreign public vessel is a vessel used by the agency of a foreign state which is not a military vessel and which is used exclusively for non-commercial purposes;
- 29) a foreign seagoing or inland boat or small craft is a vessel regarded as a boat or small craft under the regulations of the state in which it is documented or, if it is not documented, under the regulations of the state of which the owner of the boat is the citizen;
- 30) a ferry is an inland craft intended for the carriage of persons and things from one shore to another of inland waters;
- 31) a passenger is any person on a ship or boat, not including infants under 1 year of age, persons employed on the vessel in whatever capacity, and members of the families of crew members on an inland vessel;
- 32) an international voyage is a voyage by a ship or boat from any Yugoslav seaport or riverport to a foreign seaport or riverport and back;
- 33) a pushbarge is an inland cargo vessel without power and without its own steering mechanism;
- 34) a towbarge is an inland cargo vessel without power which has its own steering mechanism;
- 35) a medical vessel is a vessel intended exclusively for the health service;
- 36) a winter harbor is a man-made or natural water area on an inland waterway arranged and equipped to serve as a safe shelter for vessels from ice damage, high water, etc.;

37) a winter refuge is a natural portion of the water area on an inland waterway which vessels use in emergency for protection against damage from the immediate onset of ice and high water;

38) the operator is the natural or legal person who is undertaking the voyage as the possessor of the vessel, and it shall be assumed until proven otherwise that the operator is the person entered in the register of ships as the holder of the right of possession of the ship or the shipowner;

39) oil refers to all stable oils, but especially crude petroleum, heavy diesel oil, lubricant oil and whale oil, regardless of whether carried on board as cargo or as fuel to propel the ship.

Part Two. Safety of Navigation

Chapter I. Overall Provisions

Article 7

The safety of navigation regulated by this law pertains to the basic conditions which must be met by waterways in the coastal sea and inland waters of the Socialist Federal Republic of Yugoslavia, seaports and riverports, maritime and inland vessels, crews on vessels, navigation and piloting on the sea and inland waterways, as well as to surveillance to enforce the provisions of this part of the law.

This law shall also regulate matters pertaining to the safety of navigation on waterways on which the international or intergovernmental rules apply.

Article 8

An organization of associated labor or other legal person operating as a public carrier on the sea and inland waterways, an organization of associated labor which is the holder of the right to use a seaport or riverport, and an organization of associated labor which is concerned with maintaining and marking waterways in the coastal sea and inland waters of the Socialist Federal Republic of Yugoslavia bears the following duties:

- 1) to organize followup as to performance of tasks which pertain to the safety of navigation;
- 2) to guarantee that there is ongoing supervision of the safety of navigation;
- 3) to keep the prescribed records which have a bearing on the safety of navigation.

In general self-management acts the organizations referred to in Paragraph 1 of this article shall regulate the matters of social self-protection and shall take measures to achieve it.

Chapter II. Waterways

Article 9

A waterway in the coastal sea of the Socialist Federal Republic of Yugoslavia is a lane in that sea sufficiently deep and broad for safe ship navigation and which is also marked as necessary.

An inland waterway is a river, canal or lake on which conditions have been met for safe navigation.

Aids to navigation on waterways in the coastal sea of the Socialist Federal Republic of Yugoslavia are as follows: lighthouses, shore lights, buoys and other markers, signal stations and radio stations, and optical, acoustic, electrical, electronic, radar and other devices for safety of navigation on the sea and waterways and in harbors.

Aids to navigation on inland waterways of the Socialist Federal Republic of Yugoslavia are the following: signal stations and radio stations, floating and shore signals, navigational markers, optical, acoustic, electronic, electrical, radar and other devices to aid navigation, winter harbors, anchorages and locks on the waterway, and hydraulic structures used to maintain the dimensions envisaged for the safety of shipping.

Article 10

Waterways in the coastal sea and inland waters of the Socialist Federal Republic of Yugoslavia must be regulated, their navigability must be maintained, aids to navigation must be established on them, and their proper functioning must be ensured.

Article 11

An inland waterway of the Socialist Federal Republic of Yugoslavia on which the international rules or intergovernmental rules apply shall be regulated and maintained according to the category assigned by the treaty establishing the international or intergovernmental rules.

Article 12

The investor or holder of the right of possession, use or management or the owner of structures or other things which represent permanent or temporary obstacles on a waterway (bridges, cables, sunken objects, etc.) must establish and maintain lights and signs to mark such obstacles within the period specified by the competent agency of the republic or autonomous province.

If the person referred to in Paragraph 1 of this article fails to establish the prescribed light or other marker or if he does not maintain the established light or other marker in proper condition, the organization concerned with maintaining and marking the waterway, at the request of the competent

agency in the republic or autonomous province, and at the expense of that person, shall establish the prescribed light or other marker or shall put the improper light or other marker in proper condition.

Article 13

Coastal radio stations shall provide radio service to protect human life and shipping safety at sea and on inland waterways.

In performance of the radio service referred to in Paragraph 1 of this article coastal radio stations must organize a watch service.

Ships required to have an onboard radio station must organize a watch service for the ship's voyages in accordance with regulations on radio communication.

Article 14

Winter harbors on inland waterways must meet the prescribed conditions as to shipping safety.

Chapter III. Seaports and Riverports

Article 15

A seaport or riverport is the water area and immediately related land area including wharves, shore, breakwaters, devices, installations and other facilities intended for the mooring, anchorage and protection of ships, for the embarkation and disembarkation of passengers and the loading and unloading of cargo, for the storage and other handling of cargo, for the production, upgrading and finishing of goods, and for other business activities which stand in an economic, commercial or technological relation to those activities.

The basin of a riverport may not narrow the width of the waterway so that it is less than the dimension assigned to that waterway at low water.

Seaports and riverports must meet the prescribed conditions and must perform their activities in an area whose boundaries are defined in accordance with the standards prescribed for fixing the boundaries of a seaport or riverport.

Article 16

Seaports and riverports may be open to public traffic or may be open for special purposes if it has been previously established that it meets the conditions prescribed as to the safety of navigation in the seaport or riverport.

Article 17

The organization of associated labor, other organization or government agency which is the user of the seaport or riverport must maintain the seaport or riverport such as to guarantee safe navigation.

Article 18

The organization of associated labor or other organization which is the user of the seaport or riverport open to public traffic must make available to all natural and legal persons under equal conditions the use of wharves, breakwaters and other facilities in the seaport or riverport in accordance with their purpose and within the limits of available capacity, unless this law states otherwise.

The authority using a riverport which is not open to public traffic and which meets the conditions for the sheltering of vessels in case of natural disasters must make use of the riverport as a facility for the safety of navigation under the conditions referred to in Paragraph 1 of this article so long as the natural disasters persist.

With respect to use of seaports and riverports open to international public traffic and the payment of port charges, foreign vessels shall be treated the same as Yugoslav vessels under the condition of reciprocity.

The provision of Paragraph 3 of this article shall also apply to winter harbors located on a waterway under international or intergovernmental jurisdiction.

Article 19

On arrival at a seaport or riverport a foreign vessel must submit the following to the authority which has jurisdiction over the safety of navigation in the seaport or riverport:

- 1) a maritime vessel--its general report, medical report, copy of the crew list, and the passenger list;
- 2) an inland vessel--notice of the vessel's arrival in the port, copy of the crew list, and the passenger list.

Upon its departure from a seaport or riverport a foreign vessel must furnish a copy of the crew list and the passenger list only with respect to those persons who have embarked on the vessel or disembarked from the vessel while the vessel was in the seaport or riverport.

A foreign vessel coming from a Yugoslav seaport or riverport into another Yugoslav seaport or riverport shall not submit copies of the crew list and passenger list concerning those persons who have not disembarked nor embarked.

Article 20

A foreign nuclear-powered vessel intending to enter a Yugoslav seaport open to international maritime traffic must apply for a permit to enter the seaport and must furnish in advance a certified copy of documentation as to the

safety of its nuclear plant to the Federal Committee for Transportation and Communications for its assessment as to whether the vessel might cause nuclear damage.

The Federal Committee for Transportation and Communications shall issue the vessel referred to in Paragraph 1 of this article a permit to enter the Yugoslav seaport if it finds that this vessel does not threaten the danger of causing nuclear damage and if that vessel, at its request, posts bond up to the amount referred to in Article 857 of this law.

Before entry of the foreign nuclear-powered vessel which has obtained the permit referred to in Paragraph 2 of this article the competent authority in the port shall order that the authorized organization shall examine the validity of the certificate concerning the vessel's nuclear safety at the most convenient place and make inspections to establish whether the vessel does indeed threaten a danger of causing nuclear damage. This authority may if necessary make additional inspections during the vessel's stay in the port.

Article 21

A foreign vessel carrying more than 2,000 tons of oil which does not have a certificate concerning insurance or other financial surety concerning its civil liability for oil pollution damage as envisaged in Article 846 of this law may not enter a seaport nor depart from a seaport of the Socialist Federal Republic of Yugoslavia nor load or unload oil in them.

The provision of Paragraph 1 of this article shall also apply to a vessel carrying more than 2,000 tons of oil which is owned by a foreign state and which is not covered by insurance or other financial surety if it does not have a certificate of the state declaring that it is the property of the state and that its liability is covered within the limits envisaged in Article 842 of this law.

Article 22

If a fire or other disaster threatening the safety of human life or a vessel should occur in a seaport or riverport, the competent authority in the seaport or riverport has a duty to order a particular vessel to immediately proceed to the scene of the fire or disaster, as follows:

- 1) the nearest or other vessel--in order to save endangered human lives;
- 2) a Yugoslav vessel--in order to salvage another Yugoslav vessel and property from that vessel owned by the society at large, by Yugoslav civil legal persons or by citizens of the Socialist Federal Republic of Yugoslavia and in order to protect the environment.

Article 23

A ship shall be liable for damage which it causes to wharves, breakwaters, terminal devices and installations in seaports or riverports, and other structures in the seaport or riverport or at sea and in inland waters.

A ship shall not be liable for the damage referred to in Paragraph 1 of this article only to the extent to which the damage was caused through the fault of the organization which is the user of the seaport or riverport or by the condition of the wharf, breakwater, device or facility.

By the liability of the ship referred to in Paragraph 1 of this article is meant the liability of the holder of the right of possession of the vessel or the shipowner and of the operator.

Chapter IV. Navigation and Piloting

1. Navigation

Article 24

The prescribed rules of navigation and prescribed signals and markings must be used in maritime navigation and in inland navigation, and such signals and markings must meet the requirements of safe and orderly navigation.

Article 25

Foreign vessels may use inland waterways under international or intergovernmental jurisdiction.

Foreign vessels may also use other inland waterways in order to enter a Yugoslav riverport open to international traffic under the conditions defined by the Federal Executive Council.

Foreign vessels may enter other inland waterways solely on the basis of a special permit issued by the Federal Committee for Transportation and Communications.

Article 26

Foreign military vessels and foreign public vessels may in exceptional cases enter inland waterways of the Socialist Federal Republic of Yugoslavia if they obtain the permission of the competent authority.

The permission referred to in Paragraph 1 of this article shall be issued by the following:

- 1) to a foreign military vessel--by the Federal Secretariat for National Defense in agreement with the Federal Secretariat for Foreign Affairs;

2) to a foreign public vessel whose purpose or whose reasons for entering the waterway have to do with scientific research--by the Federal Secretariat for National Defense in agreement with the Federal Secretariat for Foreign Affairs and the Federal Secretariat for Internal Affairs;

3) to any other foreign public vessel--by the Federal Committee for Transportation and Communications in agreement with the Federal Secretariat for Foreign Affairs and the Federal Secretariat for Internal Affairs;

4) to a foreign fishing vessel--by the competent authority in the republic or autonomous province.

Article 27

The carriage of passengers and freight between Yugoslav seaports and other parts of the coastal sea of the Socialist Federal Republic of Yugoslavia or between Yugoslav riverports and other parts of inland waterways of the Socialist Federal Republic of Yugoslavia (coasting) shall be confined exclusively to Yugoslav vessels.

The carriage of passengers by a foreign yacht or foreign boat shall not be regarded as coasting in the context of Paragraph 1 of this article if it performs that carriage without payment.

Article 28

As an exception to the provisions of Article 27 of this law the Federal Committee for Transportation and Communications may allow the following:

1) a foreign vessel to carry its empty containers between Yugoslav seaports or riverports under the condition of reciprocity;

2) a foreign vessel to carry freight between Yugoslav seaports or riverports when the general interests of the Yugoslav economy so require, this to be an exception and the permission to pertain to each individual necessary case.

Article 29

Damaged, grounded or sunken craft which hinder or threaten the safety of navigation must be removed from the waterway by order of the competent authority.

Things or substances which might hinder or jeopardize the safety of navigation may not be thrown on the waterway.

Article 30

It is prohibited to break or damage an underwater telecommunications cable, underwater high-voltage cable or underwater water main under the sea or inland waterways.

Article 31

Ships grounded in the coastal sea of the Socialist Federal Republic of Yugoslavia which the crew has abandoned and things from such vessels may not be salvaged by foreign legal and natural persons.

As an exception to the provision of Paragraph 1 of this article, foreign legal and natural persons may salvage ships and things from such ships solely if granted permission by the competent authority in the republic.

Article 32

A ship coming from abroad may not communicate with other ships, agencies, organizations and persons on shore before having been granted permission for free intercourse with the shore by the competent authorities in the seaport or riverport.

Article 33

A foreign vessel may be laid up in the coastal sea or in waters of inland waterways of the Socialist Federal Republic of Yugoslavia under the conditions specified by the Federal Executive Council.

2. Piloting

Article 34

Piloting means the furnishing of professional advice to the master of a vessel by trained personnel (pilots) with respect to guiding the vessel for purposes of safe navigation in seaports, riverports, narrows and other areas of the coastal sea or inland waters of the Socialist Federal Republic of Yugoslavia.

Only a public legal person may offer piloting services.

Article 35

Foreign legal and natural persons may not render piloting services in the coastal sea of the Socialist Federal Republic of Yugoslavia.

Article 36

With respect to ships of a specified kind and size the competent authority in the republic or autonomous province, should the safety of navigation so require, may designate those seaports or riverports, narrows and other areas in the coastal sea or inland waterways of the Socialist Federal Republic of Yugoslavia where piloting shall be mandatory.

As an exception to the provision of Paragraph 1 of this article mandatory piloting done on certain areas of the coastal sea or on inland waterways of

two or more republics (coast piloting) under international or intergovernmental jurisdiction shall be ordered by the Federal Committee for Transportation and Communications.

Yugoslav military vessels shall not be subject to mandatory piloting.

Article 37

Every vessel may use piloting services under equal conditions.

Foreign vessels shall be given the same treatment as Yugoslav vessels with respect to use of piloting services and payment of compensation for such services under the condition of reciprocity.

Article 38

The fact that a vessel is being piloted shall not release the master of the vessel from the duty to control navigation and maneuver the vessel and from the responsibilities which arise thereby.

The operator of the vessel using the services of a pilot shall be liable for the actions and omissions of the pilot just as he is for the actions and omissions of a crew member of his vessel.

Article 39

The public legal person in which the pilot is employed at the moment of causing damage shall be liable for compensation of damages which the pilot has caused the operator of a ship which is using the services of a pilot up to the amount of the basic compensation envisaged by the rate schedule for the piloting service performed multiplied by the factor of 300 if it has been proven that the damage was caused through the pilot's fault.

A contract limiting liability of the public legal person rendering mandatory piloting services concluded contrary to the provision of Paragraph 1 of this article before the damage was inflicted on the operator shall have no legal effect.

A contract limiting liability to an amount less than the amount referred to in Paragraph 1 of this article on the part of the public legal person required to compensate for damages caused in rendering piloting services which were not mandatory and which was concluded before the damage was caused, shall have no legal effect.

Article 40

If under the law compensation for damages may be sought directly from the pilot who caused the damage, the provision of Article 39, Paragraph 1, of this law shall also apply to the pilot, unless the pilot caused the damage intentionally.

The liability of the pilot, taken together with the liability of the public legal person in which the pilot is employed or together with the liability of another legal person which has employed the pilot may not exceed the limits of liability referred to in Article 39 of this law unless the pilot has caused the damage intentionally.

Chapter V. The Vessel

1. Establishment of the Vessel's Seaworthiness

Article 41

A vessel shall be seaworthy within specified limits of navigation and for a specified purpose:

1) if its construction and nautical characteristics and its engines, devices and equipment used to maintain the safety of the ship's navigation, with respect to their technical characteristics, their number and type, and their placement on the vessel, meet the requirements of the technical regulations of the Jugoslavenski Registar Brodova (Yugoslav Register of Ships) (hereafter referred to as the "technical regulations") so as to provide for the following:

a) accommodation of persons on board and protection of human life at sea or on inland waters;

b) job safety of crew members and other persons employed on the vessel;

c) safety of the vessel;

d) safety of the cargo on the vessel;

e) protection of the environment (waterway, floating and other structures, the sea, water, the shore, etc.) against pollution with dangerous and harmful substances (oil, liquid fuel wastes and their mixtures, effluents and other wastes, radioactive and other similar wastes) by the vessel;

2) if it has the prescribed number of professionally trained crew members;

3) if the accommodation and number of passengers embarked on the vessel are in conformity with the conditions prescribed for the carriage of passengers (Article 55);

4) if the cargo on the vessel was loaded in conformity with the assigned load line or freeboard and if the cargo was correctly stowed (Article 56, Article 77, Point 1, and Article 100).

Article 42

Seaworthiness under the provisions of Article 41, Point 1, of this law shall be established by performance of a technical survey.

Seaworthiness under the provisions of Article 41 of this law shall be enforced by surveillance of the inspectorate.

The technical survey shall be performed by the Jugoslavenski Registar Brodova (Jugoregistar) in accordance with the technical regulations.

Article 43

The technical survey of a vessel shall include the following:

- 1) approval of the technical specifications governing construction or modification of the vessel and the technical specifications governing the manufacture of the material, engines, devices and equipment intended for the construction, modification or repair of the vessel;
- 2) supervision over the construction and modification of a vessel exercised in the course of its construction or the performance of work to modify it and surveillance over manufacture of the material, engines, devices and equipment referred to in Point 1 of this article which is exercised during their manufacture, which shall be confirmed by certificate, as well as supervision over the manufacture, installation and placement of engines, devices and equipment on the vessel;
- 3) examination of existing vessels, including supervision over performance of repairs and over replacement of those parts of the ship which are in need of repair or replacement as established by an examination.

Article 44

There may be the following types of surveys of existing vessels: basic, regular, occasional and special.

Article 45

An existing vessel is subject to the requirement of a basic survey:

- 1) before its entry in the register of ships if Jugoregistar did not oversee its construction or modification;
- 2) every time a permanent change is made in its purpose or its navigation area is extended, this to be done before its use commences;
- 3) every time a modification is made on the ship which alters its structural features and the characteristics of its propulsion machinery, this to be done before commencement of its use.

Article 46

The regular survey shall establish whether the condition of the vessel meets the provisions of the technical regulations, and the occasional survey shall check on proper maintenance of the vessel.

Article 47

A special survey of the vessel shall be performed as follows:

- 1) after damage has been suffered or a defect of the ship has been established, if according to the finding of the competent inspectorate the damage suffered or defects established in the vessel affect its seaworthiness;
- 2) when major repairs are performed or the ship is reconditioned aside from requirements arising out of a basic, regular or occasional survey of the ship;
- 3) when a ship has been laid up longer than 1 year;
- 4) when a temporary change is made in the vessel's purpose or its navigation area is extended;
- 5) when regular or occasional surveys have been postponed longer than 1 month.

Article 48

The examination of a vessel to establish its capabilities for performance of a trial run shall be performed before the vessel departs on the trial run.

Examination of a vessel for performance of its trial run shall be an integral part of supervision over construction or modification of the vessel and of the vessel's basic survey. The examination should be extensive enough to ascertain with confidence that the vessel meets the special conditions prescribed for performance of the trial run.

The provisions of Paragraphs 1 and 2 of this article shall also apply to a vessel being built for a foreign customer or being reconditioned or modified in a domestic shipyard.

Article 49

Following supervision over construction or modification of a vessel or following any other survey of the vessel no changes or modifications whatsoever may be made in the structure of the ship's hull, its engines, devices and equipment without prior notification of Jugoregistar and another survey of the ship.

Article 50

The extent and manner of the technical supervision over vessels and the intervals of regular and occasional surveys shall be set forth in the technical regulations.

Article 51

Even though a maritime vessel to which the provisions of the International Convention for Safety of Life at Sea or the International Load Line Convention apply does not satisfy certain conditions for international voyages, in the cases and under conditions envisaged in those conventions Jugoregistar may release that vessel from meeting those provisions of the conventions which under the provisions of those conventions it may be released from if on the basis of a survey it finds that the vessel is capable of making international voyages or of making certain international voyages.

Jugoregistar may release a maritime vessel which does not regularly make international voyages and to which the International Convention for Safety of Life at Sea or the International Load Line Convention would apply if it did regularly make such voyages, but which because of exceptional circumstances is to undertake only one international voyage, from meeting any provision of those conventions in conformity with the provisions of those conventions if on the basis of a survey of the vessel it finds that the ship is seaworthy for that voyage.

Jugoregistar may allow a maritime vessel to which the International Convention for Safety of Life at Sea or the International Load Line Convention applies and which represents a new type of vessel to make international voyages or certain international voyages in which it does not meet the provisions of those conventions for experimental purposes if upon a survey of the vessel it finds that the vessel is seaworthy for those voyages.

Article 52

Jugoregistar may declare a vessel seaworthy within a specified more narrow navigation area if it finds by examination that the vessel is not seaworthy in the navigation area in which it was previously authorized to sail, but is seaworthy within that more narrow navigation area.

Jugoregistar may in exceptional cases declare a vessel capable of undertaking one or several specified voyages outside the navigation area in which it has been authorized to sail if on the basis of an inspection it finds that the vessel is capable of undertaking those voyages.

Navigation within a more narrow or broader area as referred to in the provisions of Paragraphs 1 and 2 of this article may be made conditional on the embarkation of a smaller number of passengers or a smaller amount of cargo than the assigned number of passengers or allowed amount of cargo and also subject to other conditions to ensure the vessel's safe navigation.

Article 53

Jugoregistar may declare a vessel which is not a passenger ship capable of carrying passengers on one or several voyages or for a specified period of time within the coastal sea of the Socialist Federal Republic of Yugoslavia or within the area of inland waterways of the Socialist Federal Republic of Yugoslavia if its seaworthiness has been established under the provisions of this law and if it finds by inspection that the vessel meets conditions for that carriage of passengers.

Article 54

Jugoregistar may exempt a maritime vessel to which the provisions of the International Convention for Safety of Life at Sea and the International Load Line Convention do not apply and which represents a new type of vessel from individual requirements of the technical regulations or may allow it to make specified trial voyages even though it does not meet certain requirements of the technical regulations if on the basis of an examination it finds that the vessel is seaworthy to make the experimental voyage.

Article 55

A vessel may carry only the designated number of passengers, whose number and accommodation on the vessel shall be specified on the basis of the prescribed conditions of the nautical characteristics of the vessel, the area available for accommodation of passengers, the devices and equipment intended for passengers and the conditions of hygiene.

The allowed number of passengers and their accommodation on the vessel shall be set forth in the technical regulations.

Article 56

Cargo must be so distributed on a vessel as to guarantee the ship's nautical characteristics so as not to cause excessive strain on structural parts of the vessel under the various conditions of its use.

Cargo must be loaded on a vessel within the limits of the vessels' allowed load and in conformity with technical regulations, and it must be so stowed, distributed and secured that under all conditions which might arise in navigation there can be no shifting of cargo which might threaten the safety of the vessel, human life, the cargo and the environment.

The maximum allowed loading of the vessel and the distribution of cargo shall be set forth in the technical regulations.

Article 57

The provisions of this law concerning ascertainment of a vessel's seaworthiness (Articles 41 through 56), insofar as they pertain to inland vessels,

shall also apply to ferries when their dimensions correspond to the dimensions of an inland vessel.

2. Admeasurement of Vessels

Article 58

The admeasurement of a maritime vessel shall be performed in order to establish the vessel's gross and net registered tonnage.

The admeasurement of an inland vessel shall establish the maximum allowed displacement and displacement for specified waterlines, and the admeasurement of an inland cargo vessel shall also establish that vessel's carrying capacity as a function of the vessel's submergence (draft).

Article 59

The admeasurement of vessels shall be done by Jugoregistar.

The admeasurement of ships and boats shall be done according to the technical regulations of Jugoregistar concerning the method of measuring and computing registered tonnage or displacement in the admeasurement of ships and boats.

Article 60

A Yugoslav vessel and a foreign vessel which in a Yugoslav seaport or Yugoslav riverport are subject to payment of charges whose amount is established according to registered tonnage or maximum allowed displacement of the vessel shall be subject to admeasurement under the provisions of this law if the vessel lacks an admeasurement certificate or lacks an admeasurement certificate which is recognized in the Socialist Federal Republic of Yugoslavia.

A foreign admeasurement certificate of a foreign vessel shall be recognized in the Socialist Federal Republic of Yugoslavia if the vessel has been surveyed by a system of admeasurement which does not essentially differ from the system of admeasurement that applies in the Socialist Federal Republic of Yugoslavia.

Article 61

The admeasurement of a ship being built in a Yugoslav shipyard for a foreign customer may be done under the provisions of this law and regulations enacted on the basis of it if the foreign customer so requests.

At the request of the holder of right of possession of the vessel or the owner of a Yugoslav vessel and the owner of a foreign vessel the admeasurement of the vessel may also be done according to the system of admeasurement envisaged by foreign regulations.

Article 62

If a Yugoslav vessel is being built or has been purchased abroad, or if modifications are being made to it abroad such that the ship must again be admeasured under the provisions of this law, such vessel may if necessary be admeasured in the country where it is being built, where it has been purchased, or where the modifications have been made.

In a case such as referred to in Paragraph 1 of this article Jugoregistar may also perform its own admeasurement abroad under the provisions of this law upon the request of the holder of the right of possession of the vessel or the shipowner.

Article 63

The admeasurement of a Yugoslav vessel built for a Yugoslav customer or purchased or modified abroad and of a foreign vessel which under the provisions of this law is subject to admeasurement shall be done as soon as the vessel reaches the first Yugoslav seaport or riverport.

The provision of Paragraph 1 of this article shall not apply to a Yugoslav vessel which under the provisions of this law has already been admeasured abroad (Article 62, Paragraph 2).

Article 64

The request for admeasurement of a Yugoslav vessel must be filed by the holder of the right of possession of the vessel or the owner of a Yugoslav vessel.

The request for admeasurement of a Yugoslav vessel which is being built in a Yugoslav or foreign shipyard must be filed as soon as the plating, decks and bulkheads are installed in the vessel.

Article 65

A Yugoslav vessel shall again go through admeasurement in the following cases:

- 1) if after admeasurement of the vessel modifications are made such as to alter the gross or net registered tonnage of a maritime vessel or such as to alter the maximum allowed displacement of an inland vessel for the relevant draft or its maximum carrying capacity;
- 2) if there is doubt as to the correctness of the admeasurement already done.

In a case when admeasurement is repeated under the provision of Point 1 of Paragraph 1 of this article, Jugoregistar shall decide whether the entire admeasurement procedure or only part of it must be repeated as a function of the modifications which have been made to the vessel.

In a case as referred to in Point 1 of Paragraph 1 of this article the request for a new admeasurement must be filed before the modification of the vessel is completed.

The request to repeat admeasurement as referred to in Point 1 of Paragraph 1 of this article must also be filed before completion of the modification in the case of a foreign vessel which under the provisions of this law is subject to admeasurement in the Socialist Federal Republic of Yugoslavia if the modification of the foreign vessel is being done in a Yugoslav shipyard.

The request for a new admeasurement of a vessel in the case referred to in Point 1 of Paragraph 1 of this article shall be filed by the persons referred to in Article 64, Paragraph 1, of this law, and the request for a new admeasurement in the case referred to in Point 2 of Paragraph 1 of this article may be filed not only by the persons referred to in Article 64, Paragraph 1, of this article, but also by the organization of associated labor or other public legal person or agency authorized to collect compensation on the basis of a vessel's registered tonnage or displacement.

The new admeasurement of the vessel on the basis of Point 2 of Paragraph 1 of this article may not be done by the same persons who performed the previous admeasurement whose correctness is doubted.

3. Ship's Papers and Log Books

a) Overall Provisions

Article 66

Ship's papers which vessels must have serve as proof of identity, of seaworthiness and as evidence concerning the vessel's other characteristics.

The ship's log books which vessels must keep shall be used for entering data on the important events on the vessel and procedures performed on the vessel.

Article 67

The ship's papers and log books envisaged by this law must be written in one of the languages of the nationalities of Yugoslavia, and the international load line certificate (Article 74, Point 7), the international certificate of exemption from load line provisions (Article 75) and certificate of insurance or other financial surety and civil liability for oil pollution damage shall be written in the English language (Article 81).

Seaworthiness certificates of maritime vessels (Article 74), an exemption certificate (Article 75), a vessel's temporary seaworthiness certificate (Article 76), a vessel's seaworthiness certificate for a trial run (Article 78), the admeasurement certificate (Article 79), certificate covering cargo-handling and stowage equipment (Article 80), stability book (Article 86),

certificate as to the vessel's ability to take on bulk cargo (Article 87), certificate as to the vessel's ability to load refrigerated cargo (Article 87), certificate as to the vessel's ability to load dangerous cargo (Article 87), complete set of safety certificates for nuclear equipment on board (Article 88), manual on the handling of the nuclear device (Article 89), inspection and supervision log (Article 91) and oil data record book (Article 97) must also be written in the English language at the operator's request.

The ship's license (Article 99) must also be written in the French and Russian languages.

The crew list of an inland vessel (Article 110), a temporary seaworthiness certificate of an inland vessel (Article 102), a seaworthiness certificate of an inland vessel for a trial run (Article 110), an admeasurement certificate (Article 100), the registration of cargo-handling and stowage equipment of an inland vessel (Article 110), the stability book (Article 105), the log of inspections and supervision of an inland vessel (Article 110), and the oil data record book (Article 108) must also be written in the French and Russian languages at the operator's request.

Article 68

Ship's papers and log books prescribed by this law must be on board.

Ship's papers and log books must be shown at the request of administrative agencies concerned with the safety of navigation and other authorized agencies and diplomatic or consular missions of the Socialist Federal Republic of Yugoslavia.

As an exception to the provision of Paragraph 1 of this article ship's papers and log books of unmanned inland vessels need not be on board, but must be kept in the safekeeping of the holder of the right of possession of the vessel or the shipowner.

A copy of the certificate concerning insurance or other financial surety concerning civil liability for oil pollution damage must be in possession of the administrative agency with which the vessel is registered.

Article 69

Ship's papers of foreign vessels issued under the vessel's national law shall as a rule be recognized under the condition of reciprocity.

b) Ship's Papers and Log Books of Maritime Vessels

Article 70

An enrollment certificate shall be issued to a maritime vessel entered in the register of maritime merchant vessels, the register of maritime fishing vessels and the register of maritime public vessels.

The enrollment certificate shall serve as evidence of the vessel's Yugoslav nationality, shall state that the vessel has the right and duty to fly the flag of the merchant marine of the Socialist Federal Republic of Yugoslavia and shall indicate its purpose and the limits of its navigation.

The enrollment certificate shall contain all entries from the entry in the main book of the register of ships in which the vessel is registered.

Should there be a discrepancy between the content of the enrollment certificate and the content of the register of ships with respect to the entered rights to the vessel, the entry in the register of ships shall be honored.

The enrollment certificate shall be issued by the agency which enrolled the vessel in the register.

Article 71

The agency which issued the enrollment certificate must automatically enter the entries referred to in Article 70 of this law on the ship's enrollment certificate.

Should a maritime vessel not be at the place where the register of ships in which it is enrolled is kept, the competent authority of the place where the vessel is located shall be asked to enter the data on the enrollment certificate; and if the ship is abroad, a diplomatic or consular mission of the Socialist Federal Republic of Yugoslavia shall be requested to do so. The request to the diplomatic or consular mission may also be sent by telegram if the interested party so requests and deposits in advance the cost of telegraphing the request in the amount specified by the competent agency.

When a maritime vessel changes its name, port of register, tonnage, type of propulsion or identification sign, the enrollment certificate must also be replaced.

Article 72

A temporary sailing certificate shall be issued to a maritime vessel purchased abroad which does not yet have an enrollment certificate and to a vessel which is abroad and has lost its enrollment certificate.

A vessel which has not been entered in the Yugoslav register of ships shall assume Yugoslav nationality with its temporary sailing certificate and also the right and duty to fly the flag of the merchant marine of the Socialist Federal Republic of Yugoslavia.

The temporary sailing certificate shall be valid for a maximum of 1 year from its date of issuance, but its validity shall expire before that time as soon as the vessel reaches the first Yugoslav port.

The temporary sailing certificate shall be issued by the diplomatic or consular mission of the Socialist Federal Republic of Yugoslavia.

Article 73

A maritime vessel making international voyages or other maritime vessel whose crew has been embarked on the basis of the prescribed embarkation documents must have a crew list or manifest.

The crew list shall state which persons have embarked on the vessel as crew members, their jobs and their qualifications.

The vessel's arrival in a port and its departure from a port shall be confirmed on the crew list.

The crew list shall be issued by the competent agency in the republic.

Article 74

A maritime vessel whose seaworthiness has been established shall be issued the relevant certificates to that effect:

1) the safety certificate of a passenger vessel or safety certificate of a nuclear passenger vessel--to a maritime passenger ship to which the International Convention for Safety of Life at Sea applies and which is making international voyages in maritime traffic;

2) the safety construction certificate of a cargo vessel--to a maritime cargo vessel of 500 gross registered tons or more to which the International Convention for Safety of Life at Sea applies and which is making international voyages in maritime traffic;

3) the safety equipment certificate of a cargo vessel--to a maritime cargo vessel of 500 gross registered tons or more to which the International Convention for Safety of Life at Sea applies and which is making international voyages in maritime traffic;

4) the safety radiotelegraphy certificate of a cargo vessel--to a maritime cargo vessel of 1,600 gross registered tons or more to which the International Convention for Safety of Life at Sea applies and which is making international voyages in maritime traffic;

5) the safety radiotelephony certificate of a cargo vessel--to a maritime cargo vessel of 300 gross registered tons or more, but not exceeding 1,600 gross registered tons, to which the International Convention for Safety of Life at Sea applies and which is making international voyages in maritime traffic, but has no radiotelegraphic equipment;

6) the safety certificate of a nuclear cargo vessel--to a nuclear cargo vessel to which the International Convention for Safety of Life at Sea applies and which is making international voyages in maritime traffic;

7) the International Load Line Certificate--to a maritime passenger or maritime cargo vessel whose length is 24 meters or more whose keel was laid on 25 January 1969 or later and to a maritime passenger or maritime cargo vessel of 150 gross registered tons or more whose keel was laid before 25 January 1969, and which is making international voyages in maritime traffic;

8) a vessel's seaworthiness certificate--to a maritime passenger or maritime cargo vessel which is not making international voyages in maritime traffic and to a vessel which is making such voyages but to which the International Convention for Safety of Life at Sea does not apply.

Article 75

The exemption certificate or international certificate of exemption from load line provisions shall be issued to a maritime vessel to which the International Convention for Safety of Life at Sea or the International Load Line Convention applies, as follows:

1) to a maritime vessel found to be capable of making international voyages or of making particular international voyages after it has been exempted from meeting certain provisions of one or the other convention under the provision of Article 51, Paragraph 1, of this law;

2) to a maritime vessel found to be capable of making one particular international voyage after having been exempted from meeting certain provisions of one or the other convention under the provision of Article 51, Paragraph 2, of this law.

Article 76

A maritime vessel to which the International Convention for Safety of Life at Sea or the International Load Line Convention do not apply must have a temporary seaworthiness certificate if under the provisions of Article 52 of this law the navigation area in which it was previously authorized to sail is being reduced or if it is found that it is capable of making one or several specified voyages outside the navigation area in which it has previously been authorized to sail.

Article 77

A maritime cargo vessel to which neither the International Convention for Safety of Life at Sea nor the International Load Line Convention applies must have a temporary certificate concerning the fitness of a cargo vessel to carry passengers if on the basis of the provision of Article 53 of this law it has been found capable of carrying passengers on one or several voyages or for a specified period of time within the area of the coastal sea of the Socialist Federal Republic of Yugoslavia.

Article 78

A maritime vessel intending to make a trial run must have a seaworthiness certificate of a maritime vessel to make a trial run.

Article 79

A maritime vessel must have an admeasurement certificate.

The admeasurement certificate shall be evidence of the vessel's gross and net registered tonnage.

The admeasurement certificate shall cease to be valid when a vessel's gross or net registered tonnage changes because of modifications made to the vessel.

If a Yugoslav maritime vessel has been admeasured abroad by a foreign agency or institution, the admeasurement certificate issued by that agency or institution shall cease to be valid when the maritime vessel enters the first Yugoslav port.

As an exception to the provision of Paragraph 4 of this article, in justified cases a Yugoslav maritime vessel which has a foreign admeasurement certificate may be allowed to use that certificate for a certain period after its arrival in the first Yugoslav port if the maritime vessel has been admeasured according to a system which does not essentially differ from the system of admeasurement provided for under this law.

Article 80

A maritime vessel fitted with equipment for loading and unloading cargo must have a certificate covering cargo-handling and stowage equipment.

Certificates of inspection of devices for the loading and unloading of cargo and of related equipment shall constitute an integral part of the certificate covering cargo-handling and stowage equipment.

Article 81

A vessel carrying more than 2,000 tons of oil as bulk cargo must have a certificate of insurance or other financial surety concerning its civil liability for oil pollution damage.

The certificate referred to in Paragraph 1 of this article shall be evidence that the vessel has valid insurance or other financial surety of its limited liability in the amount determined according to the provision of Article 84² of this law.

The certificate of insurance or other financial surety concerning civil liability for oil pollution damage shall be issued by the agency in the republic competent for maritime affairs.

Article 82

A maritime vessel making international voyages and which has become infested with rodents (mice and rats) must have a deratization certificate.

The deratization certificate shall be evidence that deratization has been effectively performed on the vessel.

A maritime vessel making international voyages and which has not been infested with rodents must have a certificate of exemption from deratization. That certificate shall be evidence that the vessel is not infested with rodents and that it is exempted from performance of deratization for a specified period of time as set forth in the certificate.

The deratization certificate and the certificate of exemption from deratization shall be issued by the competent agency in the republic.

Article 83

The validity of a vessel's seaworthiness certificate, if it has been issued to a passenger vessel, of the safety certificate of a passenger vessel, of the safety certificate of a nuclear passenger vessel, of the safety certificate of a nuclear cargo vessel, of the safety radiotelegraphy certificate of a cargo vessel and of the safety radiotelephony certificate of a cargo vessel shall not exceed 1 year.

The validity of the safety equipment certificate of a cargo vessel shall last 2 years provided that an occasional inspection of the ship is made 1 year after the certificate is issued.

The validity of the vessel's seaworthiness certificate, if issued to a cargo vessel, of the safety construction certificate of a cargo vessel, of the International Load Line Certificate and of the international certificate of exemption from load line provisions shall be 4 years or 5 years at the most, in accordance with regulations, provided that occasional inspections of the vessel are made to the prescribed extent and within prescribed intervals during the certificate's validity.

The validity of the certificates referred to in Paragraphs 1, 2 and 3 of this article, except for the International Load Line Certificate, the international certificate of exemption from load line provisions, the safety certificate of a nuclear passenger vessel and the safety certificate of the nuclear cargo vessel, may be extended without examination for a maximum of 30 days upon application of the holder of the right of possession of the vessel, the operator or the master of the vessel.

In exceptional cases the validity of the certificate may be extended for a maximum of 5 months, as follows:

1) the cargo vessel construction certificate, the cargo vessel safety equipment certificate, the cargo vessel safety radiotelegraphy certificate and the cargo vessel safety radiotelephony certificate provided that the ship is on a voyage outside the coastal sea of the Socialist Federal Republic of Yugoslavia, but the extension shall terminate as soon as the ship enters the first Yugoslav port or any other port in which it should be inspected;

2) the International Load Line Certificate and the international certificate on exemption from load line provisions if after regular inspection of the vessel before expiration of the original certificate or subsequent certificate the vessel may not be issued a new certificate.

The validity of the exemption certificate shall not exceed the period of validity of the corresponding safety certificate. If the international exemption certificate or international certificate of exemption from load line provisions has been issued for one particular voyage, it shall be valid only for that voyage.

The validity of a temporary seaworthiness certificate shall be for the time stated in the certificate or for one or more voyages as specified, but no longer than 1 year from the last survey of the entire vessel.

The validity of a temporary certificate concerning a maritime cargo vessel's ability to carry passengers shall be for the time stated in the certificate, but shall not extend beyond expiration of the vessel's seaworthiness certificate.

The validity of a vessel's seaworthiness certificate for a trial run shall last 30 days from the date of its issuance.

A certificate covering cargo-handling and stowage equipment shall be renewed every year, and the certificate concerning the testing of derricks and the certificate on the testing of winches every fourth year.

The certificate of insurance or other financial surety concerning civil liability for oil pollution damage shall be valid for the time stated in the certificate, but shall not extend beyond the validity of the insurance or the bond.

Article 84

A maritime vessel to which the International Load Line Convention applies and which is making international voyages between Yugoslav ports and nearby ports of neighboring countries of the Socialist Federal Republic of Yugoslavia, if under an agreement between the governments of the countries in which those ports are located, in view of the natural protection of those harbors or conditions of navigation between those ports it is considered unjustified or unfeasible to apply the provisions of that convention to a vessel making such voyages, Jugoregistar shall issue a relevant document in accordance with that agreement, such document to establish which provisions of that convention do not apply to that vessel.

Article 85

The ship's seaworthiness certificate, the passenger vessel safety certificate, the nuclear passenger vessel safety certificate and the nuclear cargo vessel safety certificate shall cease to be valid if they have expired or if the vessel has not undergone the occasional inspections and also when any part of the vessel is damaged or any defects are discovered in any part of the vessel which have an essential bearing on its seaworthiness, or when repairs, replacements or modifications are made on any part of the vessel.

The cargo vessel safety construction certificate, the cargo vessel safety equipment certificate, the cargo vessel safety radiotelegraphy certificate, the cargo vessel radiotelephony certificate, the International Load Line Certificate and the international certificate of exemption from load line provisions shall cease to be valid whenever a ship is damaged in one of its parts to which the certificate pertains or when any defects are discovered in that part of the vessel, or when major repairs, replacements or modifications of that portion of the vessel are made.

Article 86

A maritime vessel whose length is 24 meters or more and any maritime passenger vessel must have a stability book.

Article 87

Every maritime vessel used to carry bulk cargo or refrigerated cargo must have a certificate concerning the ship's ability to ship bulk cargo or a certificate concerning the ship's ability to load refrigerated cargo, respectively, and a maritime vessel used to carry a dangerous cargo for whose carriage special conditions which the ship must meet have been prescribed must have a certificate concerning the ship's ability to load that dangerous cargo.

The certificates referred to in Paragraph 1 of this article shall also state the manner of loading the bulk, dangerous or refrigerated cargo, respectively, for purposes of the safety of the vessel, persons on the vessel, the cargo and the environment.

Article 88

Every maritime nuclear vessel must have a complete set of safety certificates for nuclear equipment on board.

The complete set of safety certificates for nuclear equipment on board shall be evidence that the ship is not leaking any sort of prohibited radiation during navigation or in port which are dangerous to the crew, passengers or the public, waterways, food or water reserves.

The manufacturer of the relevant nuclear device shall issue the complete set of safety certificates for the nuclear equipment.

The complete set of safety certificates referred to in Paragraph 1 of this article shall be certified by Jugoregistar. This certification shall affirm that the data as given in the document are accurate.

Article 89

Every maritime nuclear vessel must have a manual on the handling of nuclear equipment.

The manual on the handling of nuclear equipment shall contain data and instructions personnel need to perform their duties concerning all matters which pertain to the handling and operation of nuclear equipment.

The manufacturer of the relevant piece of nuclear equipment shall prepare the manual on the handling of nuclear equipment.

The manual referred to in Paragraph 1 of this article shall be certified by Jugoregistar. The certification shall affirm that the data given in the manual are accurate and that the instructions are correct.

Article 90

A manned maritime vessel must have the following:

- 1) a certificate concerning enforcement of prescribed work safety measures and standards on board the ship;
- 2) a certificate concerning periodical tests of harmful chemical and biological agents and of the microclimate at work stations and in the working areas of the ship;
- 3) a certificate concerning periodical testing of the proper working order of an engineroom crane exceeding 1-ton capacity;
- 4) a certificate to the effect that the vessel is fitted out with equipment for personal and collective protection of crew members and protection of the vessel against the effects of war.

Every unmanned maritime vessel must also have the documents referred to under Points 1 and 2 of Paragraph 1 of this article, should that be necessary.

The documents referred to under Points 1 through 3 of Paragraph 1 of this article shall affirm that the prescribed work safety measures and standards have been enforced on the vessel to conform to regulations concerning work safety on board ship and technical regulations, and the document referred to under Point 4 of Paragraph 1 of this article shall be evidence that the ship is fitted out with equipment for personal and collective protection of crew members and protection of the vessel against the effects of war.

The period of validity of the documents referred to under Points 2 and 3 of Paragraph 1 of this article shall be fixed in regulations on work safety on board ship and the technical regulations, and the validity of the documents referred to under Points 1 and 4 of Paragraph 1 of this article shall be 2 years provided that the vessel goes through an occasional inspection at the end of 1 year from the document's date of issuance.

Article 91

A maritime vessel must have a book of surveys and supervision.

Whenever Jugoregistar makes a technical inspection of a vessel or whenever a competent inspectorate in the republic makes an inspection of the vessel, it shall enter the data on the technical or other inspection in the book of inspections and supervision, stating what faults or shortcomings were found and what orders were given to correct them.

Article 92

A maritime vessel exceeding 50 gross registered tons and a maritime vessel whose propulsion machinery has a rated capacity of more than 150 horsepower on the axle must keep a ship's log regardless of its tonnage.

Article 93

A powered maritime vessel exceeding 50 gross registered tons whose propulsion machinery has a rated capacity exceeding 150 horsepower on the axle must keep an engineroom log.

Article 94

An oceangoing maritime vessel and a maritime vessel in long coastal shipping and any other maritime vessel exceeding 400 gross registered tons must keep a health record.

Article 95

Maritime ships and maritime boats required to have radios must keep a radio log.

As an exception to the provision of Paragraph 1 of this article, a maritime lifeboat belonging to a ship shall not be required to keep a radio log.

Article 96

A maritime vessel exceeding 100 gross registered tons which carries cargo must keep a cargo book.

Article 97

A maritime tanker whose gross registered tonnage is 150 tons or more or other maritime vessel with 500 gross registered tons or more must have an oil data book if it uses oils as fuel (crude oil, fuel oil, heavy diesel oil and lubricating oil), except for fishing boats intended for whaling while fishing.

Article 98

The crew list or manifest referred to in Article 73 and the certificates referred to in Articles 74, 75, 76, 77, 78 and 79 of this law, the certificate covering cargo-handling and stowage equipment, including the certificates referred to in Article 80, the certificates referred to in Article 87, and the documents referred to in Article 90 of this law shall be issued by Jugoregistar, and the stability book referred to in Article 86 of this law shall be certified by Jugoregistar.

c) Ship's Papers and Log Books of Inland Ships

Article 99

An inland vessel must have a ship's certificate.

The ship's certificate shall contain all data from the entry in the main book of the register of ships in which the inland ship is registered, data on its technical characteristics and equipment, and data on past ship surveys.

The ship's certificate shall be evidence of the Yugoslav nationality of the inland ship, its right and duty to fly the flag of the merchant marine of the Socialist Federal Republic of Yugoslavia, the ship's type and purpose, its seaworthiness, the inland waterways system in which it is authorized to sail, the number of passengers and the amount of cargo which the vessel may carry.

The ship's certificate shall be issued by the competent agency in the republic or autonomous province.

The ship's certificate shall be issued on the basis of the inland vessel's seaworthiness certificate issued by Jugoregistar.

The ship's certificate of an unmanned inland vessel may be replaced by lettering on the ship's hull or on a plaque or tablet permanently fastened to the hull, which must contain the basic data from the ship's certificate.

Article 100

An inland vessel must have an admeasurement certificate.

The admeasurement certificate is evidence of the inland vessel's displacement for each centimeter of submergence in the case of an inland vessel intended for the carriage of cargo, and of displacement at maximum permissible submergence and submergence of the empty vessel for other inland vessels, as well as the freeboard of the inland vessel.

The admeasurement certificate ceases to be valid when there is a change in its displacement because of modifications made to the inland vessel.

The cargo vessel admeasurement certificate shall be valid for 10 years, and that for other vessels 15 years from the date of issuance. The validity of the admeasurement certificate shall be extended for another 10 or 15 years, respectively, if it is found that the data on displacement or carrying capacity correspond to the vessel's actual condition.

The provisions of Article 79, Paragraphs 4 and 5, of this law shall also apply to the admeasurement certificate of an inland vessel.

The admeasurement certificate of an unmanned vessel may be replaced by lettering on the ship's hull or by a plaque or tablet permanently fastened to the hull, which must contain the loading scale from the certificate and a photocopy or certified copy of that certificate, which shall be located either on the unmanned vessel or on the towboat or pushboat.

Article 101

The ship's seaworthiness certificate of an inland vessel shall be valid until the date indicated in the certificate and may be extended for a maximum of 90 days.

The provisions of Article 83, Paragraphs 7, 8, 9 and 10, of this law shall apply with respect to the period of validity of a temporary seaworthiness certificate of an inland vessel, a temporary seaworthiness certificate of an inland passenger vessel, an inland vessel's certificate for a trial run, and the certificate covering the cargo-handling and stowage equipment.

Article 102

An inland vessel must have a temporary inland vessel's seaworthiness certificate for marine navigation if under the provisions of Article 52 of this law the navigation area in which it previously could sail is being reduced or if it has been established that it is capable of making one or several specified voyages outside the limits of the navigation area in which it was previously authorized to sail.

Article 103

An inland vessel which is not a passenger vessel declared on the basis of Article 53 of this law to be capable of carrying passengers on certain inland waterways or at certain places on such waterways or on one or several

specified voyages, or for a specified time must have a temporary seaworthiness certificate of an inland vessel for the carriage of passengers.

Article 104

An inland vessel which has radio equipment must have a safety radio certificate.

Article 105

A self-propelled inland passenger vessel must have a stability book.

Article 106

A self-propelled inland vessel must have a ship's log book.

Article 107

A manned inland vessel whose displacement exceeds 50 tons must keep health records.

Article 108

An inland vessel which carries oils and an inland vessel which uses liquid oil must have an oil data book.

Article 109

The provision of Article 87 of this law on the certificate concerning a vessel's ability to ship dangerous cargo and the certificate concerning a vessel's ability to load refrigerated cargo shall also apply to inland vessels.

Article 110

The provisions of Article 72, Article 73, Paragraphs 1, 2 and 4, Articles 78, 80, 82, 90, 91 and 95 of this law shall apply with respect to ship's papers and log books to inland vessels, except that the documents referred to in Articles 73 and 82 of this law shall be issued by the competent agency in the republic or autonomous province.

The inland vessel's crew list or manifest shall establish which members of the families of crew members of the inland vessel are embarked on that vessel.

The documents referred to in Articles 100, 102, 103 and 104 of this law shall be issued by Jugoregistar, which shall certify the stability book referred to in Article 105 of this law. The provisions of Article 98 of this law shall apply to inland vessels with respect to the issuance of certification of documents.

d) Documents Concerning Seaworthiness of Boats or Small Craft

Article 111

Documents concerning the seaworthiness of a boat or small craft which are issued by foreign states shall be honored on the condition of reciprocity.

If a boat or small craft which is not documented in the Socialist Federal Republic of Yugoslavia belongs to a foreign national who does not have a residence in the Socialist Federal Republic of Yugoslavia, and the craft does not have a seaworthiness certificate, the competent agency in the republic or autonomous province shall prohibit the craft from navigation until its seaworthiness is established by an inspection of the craft.

The provision of Paragraph 2 of this article shall also apply to boats or small craft whose condition obviously does not answer to the valid document concerning its seaworthiness.

After the boat or small craft is examined under the provision of Paragraph 2 of this article, the craft shall be issued a seaworthiness certificate.

Chapter VI. The Vessel's Crew

1. Overall Provisions

Article 112

The crew of a vessel shall consist of the persons embarked to perform jobs on the vessel and entered in the crew list or manifest.

Article 113

A vessel must have an adequate number of crew members with the prescribed professional training to perform the jobs required by navigation.

Article 114

A member of the crew of a vessel in the Yugoslav Merchant Marine must be a person who has earned the corresponding rating and who has the appropriate authorization to perform the jobs of that rating on board ship.

The ratings of crew members of vessels in the Yugoslav Merchant Marine are earned by passing the relevant examination for the particular rating.

The technical portion of the testing program for earning ratings by crew members of vessels in the Yugoslav Merchant Marine shall be uniform for the entire country and shall be established by agreement among the competent agencies of the Federation and the republics and autonomous provinces.

Authorization to perform jobs on board ship may be issued only to a person who is physically and mentally capable of performing the job on board ship, which shall be established by a medical examination and checked by a periodic examination.

Article 115

The crew member must perform tasks on board that fall within his duty as prescribed by laws and the rules of navigation in such manner as not to jeopardize the safety of navigation or damage the ship or its cargo, or threaten the safety of passengers on the vessel or other crew members or risk polluting the environment with dangerous and harmful substances from the vessel (oil, liquid fuel waste or mixtures containing liquid fuel waste, waste water and other pollutants and radioactive or similar waste).

Article 116

A crew member assigned to stand watch may not leave his station and the space in which he is standing watch without permission of the officer on duty.

During the watch officers of the watch may not leave their stations on watch.

While a maritime vessel is lying at anchor, a continuous watch must be stood in shifts on the bridge and in the engineroom.

Article 117

An inland vessel which stands in the waterway must have a continuously ready watch.

An inland vessel which stands off the waterway or which is moored to the shore need not maintain a watch unless local circumstances so require or unless the competent authorities so prescribe.

Article 118

In areas of very heavy shipping, when visibility is limited and in all other situations hazardous for navigation, when an automatic steering device is used, there must be a possibility for the officer on duty or helmsman to take over steering of the vessel at any moment.

The shift from automatic to manual steering and vice versa should be done personally by the officer of the watch on the bridge who is on duty.

Article 119

Only a person who has a sailor's registration book or a sailing permit, and in the case of an inland vessel, the individual must have a waterman's registration book or a sailing permit.

The seaman's or waterman's registration book is the document used as evidence of the crew member's specialized training, state of health, status as a crew member on the vessel, and the duration of his employment on the vessel.

The seaman's registration book, waterman's registration book and sailing permit are personal documents of the individual to whom they have been issued.

The sailor's registration book or waterman's registration book which contains a visa for foreign travel issued by the competent authority shall also serve as a travel document (passport) and shall authorize the individual to be a crew member of a vessel sailing abroad and to travel abroad in order to embark on a vessel or to return to the Socialist Federal Republic of Yugoslavia after disembarkation from a vessel abroad.

Article 120

If a crew member of a maritime vessel disembarks from the vessel during or after termination of his employment at a place other than the port of embarkation, or if a carrier disembarks a crew member of an inland vessel at another place than the port where the carrier's headquarters is located, the carrier must furnish him return travel to his port of embarkation or to the inland port which is the carrier's home port; or, if it has been so provided in a general self-management act regulating employment relations of workers in associated labor--to his place of permanent or temporary residence (hereafter referred to as "return travel").

If under the provision of Paragraph 1 of this article the carrier does not provide return travel to the crew member, that travel shall be furnished at the carrier's expense as follows: from a foreign country--by a diplomatic or consular mission of the Socialist Federal Republic of Yugoslavia, and within the Socialist Federal Republic of Yugoslavia--by the competent body in the republic or autonomous province.

The provision of Paragraph 1 of this article shall also apply to members of the family of a disembarked crew member of an inland vessel.

Article 121

The carrier shall pay the expenses of return travel of the crew member of a maritime vessel.

The carrier has the right to demand reimbursement for all expenses of return travel from a crew member of a maritime vessel who has disembarked from the vessel without permission and has thereby through his own fault brought about termination of his employment or who has disembarked from a maritime vessel because of an injury or illness which he brought upon himself either intentionally or through gross negligence.

Return travel expenses of a crew member of a maritime vessel include expenses for lodging, food and transportation of the crew member from the moment of his disembarkation from the vessel to the moment of his return to the port of embarkation or his place of residence.

A crew member of an inland vessel is entitled to per diems and compensation for personal travel from the moment of disembarkation from the vessel to the moment of return to the carrier's home port or his own temporary or permanent residence, as called for in the general self-management of the organization of associated labor or employment contract.

The provision of Paragraph 4 of this article shall also apply to members of the family of a disembarked crew member of an inland vessel.

Article 122

Return travel is assumed to have been secured if the crew member of the maritime vessel is provided an appropriate job on a ship sailing to the port of his embarkation or if the crew member of an inland vessel is provided a job on a vessel sailing to the carrier's home port.

In the case referred to in Paragraph 1 of this article the crew member is entitled to compensation for the job performed on the maritime vessel or inland vessel.

Article 123

The provisions of Articles 120, 121 and 122 of this law shall also apply to foreign nationals who are crew members of a Yugoslav maritime vessel.

The provisions of Articles 120, 121 and 122 of this law shall also apply to foreign nationals who are crew members of an inland vessel provided that the state of which they are nationals affords the same treatment to nationals of the Socialist Federal Republic of Yugoslavia embarked on vessels of that nationality.

Article 124

In foreign seaports or inland ports a crew member of a maritime vessel or inland vessel who is a national of the Socialist Federal Republic of Yugoslavia may turn only to diplomatic or consular missions of the Socialist Federal Republic of Yugoslavia to protect his rights and interests arising out of the employment relation.

Article 125

A crew member of a vessel must immediately report to his immediate superior or the master of the vessel:

- 1) every unusual event which might threaten the safety of the vessel, passengers, other persons or cargo on the vessel or pollute the environment with dangerous and harmful substances from the ship;
- 2) when sailing on waterways in coastal waters of the Socialist Federal Republic of Yugoslavia and on inland waterways he finds that certain light-houses and lights are not operating or markers or buoys are not in their place.

In case of danger, shipwreck or other emergency the crew members of the vessel must endeavor to save the vessel, passengers, other persons on the vessel and cargo and also to protect the environment until the master of the vessel or master of the nonpowered inland vessel orders that the vessel be abandoned.

Article 126

The carrier must compensate the crew member for damage caused to articles intended for his personal use on board ship and for the personal use of members of his family embarked on an inland vessel, as specified in a general self-management act of the organization of associated labor or other public juridical person or in the employment contract, which, belonging to him, have been destroyed or damaged in a shipwreck or other ship accident.

A crew member who is permanently employed has the right in case of shipwreck to personal income for at least 2 months from the date of the shipwreck on the basis of his average personal income for the previous 3 months, unless under a general self-management act of the organization of associated labor or other public legal person he is entitled to personal income for a longer time.

If in the case referred to in Paragraph 2 of this article the crew member is a foreign national or stateless person, he shall be entitled to compensation in the amount specified by the employment contract--for each day of unemployment which ensues as a consequence of the shipwreck, but not for longer than 2 months from the date of the shipwreck.

With respect to return travel of the crew member of a maritime vessel or inland vessel which has suffered a shipwreck, the provisions of Articles 120 through 122 of this law shall apply.

Article 127

The carrier shall be liable for damage occurring because of physical injury or death of a crew member of a vessel if the physical injury or death occurred through the carrier's fault or through the fault of persons for whom the carrier is responsible.

The carrier's fault shall be assumed unless it is proved otherwise if the death or physical injury of the crew member has occurred directly or indirectly because of shipwreck, collision, grounding, explosion, fire or defect of the vessel.

2. The Master of the Vessel

Article 128

The master of a vessel must be a citizen of the Socialist Federal Republic of Yugoslavia.

The carrier shall appoint and dismiss the master of the vessel.

In case of the master of the vessel's death, incapacity or absence, he shall be replaced in all his powers by the senior crew member of the deck department who is a national of the Socialist Federal Republic of Yugoslavia.

The provision of Paragraph 1 of this article shall not apply to the yacht of a foreign owner registered in the Yugoslav register of ships (Article 175, Paragraph 1, Point 3).

Article 129

The master of a vessel shall be responsible for the safety of the vessel and order on the vessel and, within the limits defined by this law and other regulations, shall exercise public authority on the vessel and shall act on behalf of the carrier.

If the master of a foreign yacht registered in the Yugoslav register of ships is a foreign national or stateless person, the public authority referred to in Paragraph 1 of this article shall be exercised by the senior deck officer if he is a national of the Socialist Federal Republic of Yugoslavia.

If a powered inland vessel is towing or pushing other vessels, the master of that vessel shall be in charge of the entire convoy.

The master of the leading powered inland vessel towing in tandem with other vessels shall be in charge of the entire convoy.

Article 130

The master of the vessel must see to the supply of the vessel, to shipboard administration, to maintenance of the ship, maintaining proper condition of the ship's hull, engines, instruments and equipment, the safety of ship devices for boarding and discharging passengers, dangerous and other cargo, to the proper loading, stowing, carriage and discharging of cargo, to the proper boarding, accommodation and discharge of passengers and to performance of all tasks related to the work process.

The master of the vessel is required to hold drills with lifeboats and other lifesaving equipment and with devices for detection, prevention and extinguishing of fire within the prescribed intervals.

The master of the vessel must be on the vessel while it is under way.

Before departing on a voyage the master must verify that the vessel is in proper condition to make the voyage in question and must take care that all prescribed documents and books and crew members are on the vessel, and if passengers are carried, he must specifically ascertain that all measures for passenger safety have been taken.

The master of a powered inland vessel must before departing on a voyage check the proper condition of vessels in the tow and their ability to make the particular voyage.

Article 131

The master of a maritime vessel and a powered inland vessel and the watch officer who takes charge of the vessel must take all steps necessary to the safety of the vessel and of navigation.

The master of an inland vessel and persons replacing him on watch are responsible for the safety of the vessel and of navigation, each for their respective watches.

The master of the vessel must personally take charge of the vessel whenever the safety of the vessel so requires, and the master of a maritime vessel shall specifically take personal charge when the vessel is entering or leaving a port, canal or river, in fog or when visibility is poor, and the master of a powered inland vessel shall also do so when this is required by the safety of the vessels in the tow.

The presence of a pilot on a maritime vessel and powered inland vessel does not relieve the master of the vessel of responsibility for the vessel's handling.

Article 132

Should events occur which jeopardize the vessel or a barge in tow or person, the master of the maritime vessel or the master of the powered inland vessel must take all steps to rescue such persons and overcome the dangers to the vessel and to articles on the vessel and to protect the environment.

If in a case referred to in Paragraph 1 of this article it is necessary to sacrifice or damage the vessel or an inland vessel in tow, or to damage cargo or other things on board the vessel or on an inland vessel in tow, the master of the maritime vessel or powered inland vessel must sacrifice or damage the cargo, other things or ship instruments or equipment which are not necessary to navigation, or parts of the vessel or inland vessel in tow whose sacrifice or damage is less injurious to the carrier and persons who have an interest in cargo on the vessel or inland vessel in tow, but if it is necessary, he shall also sacrifice or damage an inland vessel in tow.

Article 133

If in a case of danger to a maritime vessel or powered inland vessel or inland vessel in tow all measures taken to rescue the vessel or inland vessel in tow have been ineffective, and if loss of the vessel or inland vessel in tow is inevitable, the master of the maritime vessel or powered inland vessel must first take measures necessary to save passengers and other persons on board the vessel or on board an inland vessel in tow, in inland waters to remove the vessel from the waterway before it sinks if that is possible, and order that the vessel or inland vessel in tow be abandoned.

In the case referred to in Paragraph 1 of this article the master shall also take all measures necessary to save the ship's log book; and if the circumstances of the particular case allow--he shall also take measures to save other ship's log books, ship's papers, charts of the particular voyage and cash in the ship's safe.

The master of an inland vessel which is not part of a tow shall also have the powers of the master of the vessel referred to in Paragraphs 1 and 2 of this article.

The master may abandon the vessel only after he has taken all the measures referred to in Paragraphs 1 and 2 of this article within the limits of realistic possibility.

Article 134

Should an event occur on a vessel or inland vessel in tow which threatens safety of the vessel itself, an inland vessel in tow or the safety of navigation, or if an unusual event befalls the vessel, an inland vessel in tow, passengers, other persons or things on board an inland vessel in tow, or if pollution with dangerous and harmful substances is noted on the waterway,

the master of the maritime vessel or powered inland vessel must immediately enter his description of that event or a note on the pollution noted in the waterway in the ship's log book, no later than within 24 hours.

The master of a vessel referred to in Paragraph 1 of this article must submit a report on the events referred to in that paragraph immediately after arrival, but within 24 hours at the latest, together with the relevant extract from the ship's log book to the agency with jurisdiction over the safety of navigation in the seaport or inland port.

If the event referred to in Paragraph 1 of this article has occurred during a voyage, the master of the vessel must submit a report on the event, together with the relevant extract from the ship's log book, within the time specified in Paragraph 2 of this article to the agency with jurisdiction over the safety of navigation in the seaport or inland port which the vessel first enters or to a diplomatic or consular mission of the Socialist Federal Republic of Yugoslavia if the vessel is abroad.

The master of the vessel referred to in Paragraph 1 of this article must enter in the ship's log book the birth or death of an individual on the vessel, noting the place or geographic position of the vessel and the time of birth or death and shall take the statement of last wishes and shall enter that event in the ship's log book, stating the time when he received that statement of last wishes.

The master of the vessel must draw up the prescribed record of the fact of birth and death and of receipt of the expression of last will and submit it to the competent agency in the first domestic seaport or inland port he reaches, and if abroad--to the nearest diplomatic or consular mission of the Socialist Federal Republic of Yugoslavia.

Article 135

The master of a maritime vessel must send a report by radio concerning any immediate danger to the safety of shipping which he encounters, but in particular if he notes changes in the waterway as referred to in Article 125, Paragraph 1, Point 2, of this law, if he encounters pollution by dangerous and harmful substances, hazardous ice, a dangerous storm, or any other immediate danger to navigation, or a tropical storm, or freezing temperature accompanied by storm course winds causing heavy ice to accumulate on superstructures, or a wind with a force of 10 or more on the Beaufort scale, concerning which a storm warning has not been received.

The master of a maritime vessel must make an entry in the ship's log book of a report given in the context of Paragraph 1 of this article.

Article 136

In case of an immediate danger of war the master of a vessel is required to take all precautionary measures warranted by the circumstances, especially so as to save the vessel, the crew, passengers, cargo and other property and ship's papers and log books.

Should a state of war ensue between the Socialist Federal Republic of Yugoslavia and another state, the master of the vessel must take the necessary measures so as to preserve the vessel, people, cargo and other property and ship's papers and log books from the enemy.

In a case when a state of war comes about between other states in which the Socialist Federal Republic of Yugoslavia is neutral, and a vessel is in a seaport or riverport of one of the belligerent states or en route to a seaport or riverport of a belligerent state, or if it must pass through the coastal waters or inland waters of a belligerent state, the master of the vessel must seek instructions from the carrier; and if this is not possible--he shall seek instructions from the competent Yugoslav authority.

Article 137

The master of a maritime vessel, as the carrier's agent, is authorized to conclude contracts in his name and on his account at a place other than the carrier's domicile concerning salvage and legal affairs necessary to carry out the voyage and at a place other than the carrier's domicile where there is no authorized representative of the carrier to conclude contracts concerning maritime shipping affairs except a time charter party for the entire vessel.

The master of a maritime vessel is authorized as the carrier's agent to initiate proceedings before foreign judicial and administrative authorities to protect the carrier's rights and interests in the affairs referred to in Paragraph 1 of this article and to take the necessary procedural actions in such proceedings.

Should the carrier restrict the master's authority, this limitation shall have no legal effect toward third persons who did not know of it and could not have known by the nature of the circumstances.

Article 138

The master of a maritime vessel or powered inland vessel is authorized and required to issue orders to all persons on board and on board inland vessels in tow in order to ensure the safety of the vessel, the inland vessel in tow or their navigation and in order to maintain order on the vessel, and to see that orders issued are executed.

The master may keep on board the necessary firearms in order to maintain order and security on a maritime vessel, and members of the vessel's crew may not have weapons on board.

Article 139

The master of a maritime vessel and powered inland vessel has the right during a voyage to restrict freedom of movement on the vessel and inland vessel in tow of any person who seriously threatens the safety of the vessel or inland vessel in tow, members of the crew, passengers or other persons, things on the vessel and an inland vessel in tow, or threatens pollution of the environment with dangerous or harmful substances. Freedom of movement may be restricted only if this is necessary for the sake of the safety of passengers and other persons and things on the vessel and inland vessel in tow or in order to protect the vessel and inland vessel in tow or to protect the environment, and in the case of a foreign national or stateless person it may last only until the vessel enters the first seaport or riverport, and in the case of a citizen of the Socialist Federal Republic of Yugoslavia--only until the vessel enters the first Yugoslav seaport or riverport.

The measures referred to in Paragraph 1 of this article shall be entered in the ship's log book and justified.

Article 140

The master of the vessel has the right to have a crew member who violates the safety of navigation removed from his work station and, if necessary, to disembark him from the vessel and return him to Yugoslavia (Article 120).

Article 141

The master of a maritime vessel has the right, in case of necessity and so long as that necessity persists, to reduce the food and water rations of members of the vessel's crew for the sake of rational utilization of the vessel's stores of food and water.

The measures referred to in Paragraph 1 of this article shall be entered in the ship's log book and justified.

Article 142

If during a voyage a crew member of the vessel or inland vessel in tow, passenger or other individual on the vessel or inland vessel in tow commits a crime, the master must take such necessary steps as warranted by the circumstances so as to prevent or mitigate harmful consequences ensuing from that crime and to ensure the offender's being brought to justice.

Should there be a danger that the offender repeat the crime or flee, the master of a maritime vessel or powered inland vessel shall order the following: that the criminal offender's freedom of movement on the vessel or

inland vessel in tow be restricted or that he be confined; that the offender, witnesses, eyewitnesses and injured parties be examined so as to establish all circumstances under which the crime was committed and the consequences which ensued; that a record shall be kept of each interrogation; that objects on which or with which the crime was committed or on which traces of the crime are visible be taken for safekeeping as evidence and that other measures be taken so as to ascertain the circumstances under which the crime was committed.

If the maritime vessel or powered inland vessel is abroad, the master must submit a report on the crime committed to the diplomatic or consular mission of the Socialist Federal Republic of Yugoslavia in the state whose seaport or riverport the vessel enters. The master must treat the offender according to the instructions of the diplomatic or consular mission of the Socialist Federal Republic of Yugoslavia.

Upon arrival in the first Yugoslav seaport or riverport the master of the vessel must turn the offender over to the police authority in that seaport or riverport along with a written report on the crime committed and the record and material evidence referred to in Paragraph 2 of this article.

The measures referred to in Paragraphs 2 and 4 of this article shall be entered in the ship's log book and justified.

Article 143

If a crew member of the vessel who is a citizen of the Socialist Federal Republic of Yugoslavia willfully leaves the vessel in a foreign seaport or riverport with the intention of remaining abroad, the master must report this jumping of ship to the diplomatic or consular mission of the Socialist Federal Republic of Yugoslavia in that state; and if there is no such mission--to the diplomatic or consular mission of the state authorized to represent the interests of citizens of the Socialist Federal Republic of Yugoslavia; and if there is no such mission--to the office of the harbor master of that seaport or riverport.

The master of the vessel must draw up a record and establish which property and documents of the crew member who has jumped ship have remained on board. The record shall be drawn up in the presence of two witnesses, and shall be signed by the master and the witnesses.

The master of the maritime vessel or powered inland vessel must make an entry in the ship's log book concerning the jumping of ship and the property of the crew member which has remained on board and their delivery to the competent Yugoslav authority.

The authority which in the seaport or riverport receives the personal property and documents of the crew member who has jumped ship shall turn them over to his immediate family or relatives; if there are none, it shall

turn them over to the person designated by the competent custodial authority.

Article 144

It shall be assumed that a crew member has jumped ship with the intention of remaining abroad if he has not returned to the vessel before the vessel departed from the seaport or riverport.

If a crew member has been prevented from returning to the vessel before it departed from the seaport or riverport, it shall be assumed that he has jumped ship if within 3 days from the date when the impediment was removed he does not notify the authority referred to in Article 143, Paragraph 1, of this law.

Article 145

The master of a vessel who in any way whatsoever learns that persons, including even enemies in case of an armed conflict, are in vital danger at sea or in inland waters must immediately set out to aid them at maximum speed, informing them of this if possible, and must undertake to rescue them.

The master of an endangered vessel has the right, after consulting with masters of vessels who have responded to his distress call, if such conference can be conducted, to select one of those vessels or more than one of them which he believes to be most suitable to extend him aid.

The master or masters of vessels chosen to extend aid to an endangered vessel must accept that choice and immediately set out at maximum speed to aid the persons in vital danger.

The master of a vessel must rescue persons in vital danger even though they oppose this or if the rescue of those persons is opposed by the master of the vessel on which those persons are located.

Article 146

As an exception to the provisions of Article 145 of this law, the master of the vessel is not required to set out to aid and undertake the rescue of persons in vital danger:

- 1) if to undertake that rescue would represent a serious danger of the vessel under his command and the persons on that vessel or if he has good reason to believe according to the special circumstances of the case that undertaking the rescue of the persons in danger would not be successful;
- 2) if he learns that another vessel has been chosen to go to the rescue and that the vessel chosen has accepted that choice;

3) if he is informed by the master of the endangered vessel or directly from the persons who were in vital danger or from the master of an another vessel who has reached those persons that aid is no longer needed.

Article 147

Should there be a collision of ships, the master of the vessel is required, if he can do this without serious danger to the vessel in his charge and persons on it, in addition to first rescuing the survivors, to also undertake salvage of the other vessel with which the vessel in his charge has collided; and in case of a collision of vessels in inland waters--he is required to immediately remove from the waterway a vessel which threatens to sink.

In inland waters the master of the vessel, when the vessel in his charge is in the vicinity of a vessel giving a distress call, and when there has not been a collision, is required to immediately undertake salvage of that vessel if this can be done without serious danger to the vessel in his command and persons on it.

Article 148

The master of a Yugoslav vessel who learns that another Yugoslav vessel is in distress at sea is required, in addition to first rescuing survivors, to also undertake salvage of the vessel and things on that vessel which are social property, the property of Yugoslav civil juridical persons or the property of nationals of the Socialist Federal Republic of Yugoslavia unless the salvaging of the vessel and the property on it is explicitly opposed by the master of the vessel, the operator or the owner or carrier of the ship in distress.

The master of the vessel is not required to undertake to salvage a vessel under the provision of Paragraph 1 of this article if this cannot be done without serious danger to persons on the vessel or to the vessel in his charge or if he has good reason to believe that the effort to salvage the vessel would neither be expedient nor sensible in view of the opportunity to salvage it, the value of the vessel in distress and the value of property on that vessel, and also in view of the risks and expenses which the vessel in his charge would incur by undertaking the salvage operation.

Article 149

The master of the vessel must enter in the ship's log book the reasons why he did not go to the aid of persons in distress and did not undertake their rescue (Article 146) and the reasons why he did not undertake to salvage the vessel and property on it (Articles 147 and 148).

Article 150

The operator of a vessel, owner of a vessel or carrier shall not be liable for damage which occurs because the master of the vessel violated his duties as defined in Articles 145, 147 and 148 of this law.

Article 151

The salvage of a Yugoslav military vessel and of life on it shall not be undertaken in a case of explicit refusal by the commanding officer of the vessel.

Article 152

The provisions of Articles 145, 147 and 148 of this law shall also apply to military vessels.

As an exception to the provision of Paragraph 1 of this article, the federal secretary for national defense shall prescribe in which cases the commanding officer of the Yugoslav military vessel is not required to undertake salvage in cases defined in Articles 145, 147 and 148 of this law.

Chapter VII. Enforcement by Inspectorates

Article 153

Inspections to enforce the provisions of this section of the law shall be made by agencies responsible for the safety of maritime and inland navigation in the republics and autonomous provinces (the harbor master's office or other agency).

Article 154

Functions of inspection pertaining to enforcement of the provisions of this section of the law concerning safety of navigation in international traffic at sea and on inland waterways shall specifically include inspections and surveillance of the following:

- 1) of foreign vessels in Yugoslav seaports or riverports with respect to protection of persons on board and environmental protection;
- 2) of vessels engaged in international traffic with respect to their seaworthiness;
- 3) enforcement of the international regime of seaports and riverports pursuant to the international obligations of the Socialist Federal Republic of Yugoslavia and of the condition of seaports and riverports open to international traffic and winter harbors and locks on waterways under international or intergovernmental rules of navigation in coastal waters and inland waters and of aids to navigation on those waterways;

4) performance of radio service as an aid to navigation in international shipping and to protecting human life at sea and on inland waterways and the maintenance and operation of such services.

The provision of Point 3 of Paragraph 1 of this article does not apply to military seaports and riverports with respect to enforcement of the international regime of seaports and riverports.

Article 155

In the conduct of an inspection of a foreign vessel under the provision of Article 154, Paragraph 1, Point 1, of this law, a check shall be made as to the following:

1) the maritime vessel's possession of a valid certificate pursuant to the provisions of the International Convention for the Safety of Life at Sea and the International Load Line Convention, and if the provisions of those conventions do not apply to the vessel--after the vessel's possession of a valid seaworthiness certificate and load line certificate in conformity with the regulations of the country of the vessel's nationality;

2) as to an inland vessel's possession of a valid ship's certificate.

If the foreign vessel has valid documents as referred to in Paragraph 1 of this article, the inspection shall restrict itself to verifying the following:

1) proper correspondence between the position of the load line or freeboard and the data in those documents;

2) loading of the ship in conformity with the assigned load line or freeboard and proper distribution of cargo to conform to the conditions entered in those documents.

In addition to checking the documents referred to in Paragraph 1 of this article, a check shall also be made as to whether the foreign vessel loading or discharging cargo has a valid document certifying the proper working order of ship equipment for loading or unloading cargo and correspondence between the condition of that equipment and the data in the document.

Article 156

If in the course of an inspection it is found that a foreign maritime vessel does not have the valid document referred to in Article 155, Paragraph 1, Point 1, of this law, or that an inland vessel does not possess the documents referred to in Article 155, Paragraph 1, Point 2, of this law, or that the position of the load line or freeboard does not correspond to the data in those documents, or that the vessel has not been loaded in conformity with the assigned load line or freeboard line, or that the cargo has not

been properly distributed, the vessel shall be prohibited from departing from the port until it can resume navigation without danger to human life on board.

If in the course of an inspection it is found that because of a defect a foreign vessel is polluting the environment with oil or other harmful and dangerous substances, it shall be forbidden to depart from the port until those defects on it are corrected.

If in the course of an inspection pursuant to the provision of Article 155, Paragraph 3, of this law it is found that a foreign vessel does not possess a valid document certifying the proper working condition of ship cargo-handling equipment, or if it is found that the condition of that equipment does not conform to the data in that document, the loading or unloading of cargo with the vessel's equipment shall be prohibited.

Article 157

If there is warranted suspicion that the condition of the foreign vessel departs essentially from the data given in the document referred to in Article 155, Paragraph 1, of this law, or if the foreign vessel has taken on more passengers than the allowed number, or if it lacks the minimum number of professionally trained crew members, and it is obvious that in such condition or with that number of passengers or that status of crew it would not be capable of resuming navigation without danger to life on the vessel, it shall be prohibited from departing from the port until it is capable of resuming navigation without danger to life on board.

Article 158

In the course of an inspection as to the seaworthiness of vessels pursuant to the provision of Article 154, Paragraph 1, Point 2, of this law, a check shall be made as to the following:

- 1) as to whether the vessel has the valid ship's papers and books which are prescribed;
- 2) as to whether essential changes have taken place on the vessel since the date of issuance or extension of ship's papers issued on the basis of a technical survey of the vessel which obviously render the vessel incapable of sailing without danger to life and cargo on board and to the environment;
- 3) as to whether the vessel meets the conditions defined in Article 41, Points 2, 3 and 4, of this law;
- 4) as to whether the prescribed marking of the load line or freeboard line has been made on the sides of the vessel;

5) as to the drilling of the crew in handling lifeboats and other lifesaving equipment and equipment for fire detection and prevention and fighting fires.

The inspection shall also include a check as to whether the vessel has a valid cargo-handling equipment certificate and as to whether the condition of cargo-handling equipment corresponds to the data in the cargo-handling equipment certificate.

Article 159

If in the course of an inspection pursuant to the provision of Article 158, Paragraph 1, of this law defects are found in the vessel which have a bearing on its seaworthiness, the master of the vessel shall be ordered to correct the defects within a specified period of time.

If the defects discovered are not corrected within the specified period, or if the defects are of such nature that they jeopardize the safety of the vessel, life and cargo on board, and the environment, the vessel shall be prohibited from further navigation until these defects are corrected, and its seaworthiness certificate shall be taken away.

If in the course of an inspection it is found that the vessel does not have a valid cargo-handling certificate pursuant to the provision of Article 158, Paragraph 2, of this law, or if the condition of that equipment does not conform to the cargo-handling equipment certificate, it shall be prohibited from loading, unloading or transshipping cargo with its own cargo-handling equipment.

Article 160

If in the course of an inspection pursuant to the provision of Article 154, Paragraph 1, Point 3, of this law it is found that the regime conformant to the international obligations of the Socialist Federal Republic of Yugoslavia is not being enforced in ports open to international traffic, or that the condition of seaports and other ports, winter harbors and locks is such as to present a danger to the safety of vessels, the organization of associated labor or other organization or agency administering the port shall be ordered to take appropriate steps or to perform the necessary work to correct these shortcomings within a specified period of time.

If the steps or work ordered pursuant to Paragraph 1 of this article are not completed by the date specified, the measures provided for by law shall be taken.

Article 161

If in the course of an inspection pursuant to the provision of Article 154, Paragraph 1, Point 4, of this law it is found that the condition of the

waterway or an aid to navigation on the waterway is such as to endanger navigation, the following steps shall be taken;

- 1) the organization responsible for maintaining and marking waterways shall be ordered to temporarily mark the obstacle on the waterway or to remove it and to set up or repair beacons and lights if they have been removed or are not in proper working order;
- 2) navigation shall be temporarily prohibited if measures to ensure safe navigation have not been taken on the waterway.

If in the course of inspection pursuant to Paragraph 1 of this article other defects are ascertained on the waterway which might threaten the safety of navigation, findings to that effect and proposed measures shall be submitted to the Federal Committee for Transportation and Communications and to the organization responsible for maintaining and marking the waterways so that appropriate steps can be taken.

Article 162

If in the course of an inspection pursuant to the provision of Article 154, Paragraph 1, Point 5, of this law it is found that maintenance of radio stations and performance of radio service are not in accordance with regulations, orders shall be given to correct the shortcomings within a specified period or the appropriate steps shall be taken.

If in the course of inspection pursuant to Paragraph 1 of this article defects are found which might endanger navigation, a report concerning the defects discovered shall be submitted along with proposals for correcting them to the Federal Committee for Transportation and Communications.

Article 163

On matters of the safety of navigation which pertain to international and intergovernmental rules and on matters concerning inspection as to the safety of navigation the Federal Committee for Transportation and Communications may request from the agency with jurisdiction over matters related to the safety of navigation in the republic or autonomous province the data necessary to performance of functions within its jurisdiction and a report on enforcement of the relevant provisions of this law.

Only in urgent cases may the Federal Committee for Transportation and Communications request from the body which has jurisdiction over matters related to the safety of navigation in the port the data needed to perform functions within its jurisdiction.

Article 164

The Federal Committee for Transportation and Communications may perform every function of an inspectorate concerning the safety of navigation which pertains to the the international or intergovernmental rules within the jurisdiction of agencies responsible for the safety of navigation in the republics or autonomous provinces or within the jurisdiction of agencies responsible for the safety of navigation in the port which is not done by the agency in the republic or autonomous province responsible for the safety of navigation, that is, which is not done by any of those agencies.

The Federal Committee for Transportation and Communications shall report the performance of a function of an inspectorate as referred to in Paragraph 1 of this article to the Federal Executive Council.

Article 165

The Federal Committee for Transportation and Communications, in performing the functions of an inspectorate referred to in Article 154 of this law which lie within the jurisdiction of federal administrative agencies, has the right to issue mandatory instructions to agencies of the republics and autonomous provinces responsible for the safety of navigation.

Part Three. The Vessel's Nationality, Identification and Registration

Chapter I. Nationality of the Vessel and Identification of the Vessel

Article 166

A vessel shall acquire Yugoslav nationality by its entry in the appropriate register of ships or by the issuance of a temporary sailing certificate.

Article 167

A vessel which has acquired Yugoslav nationality has the right and duty to fly the flag of the merchant marine of the Socialist Federal Republic of Yugoslavia.

The right and duty to fly the flag referred to in Paragraph 1 of this article does not apply to a vessel without a crew.

Boats or small craft entered in the records of boats within the Socialist Federal Republic of Yugoslavia are required outside the coastal waters of the Socialist Federal Republic of Yugoslavia to fly the flag of the merchant marine of the Socialist Federal Republic of Yugoslavia.

Article 168

The flag of the merchant marine of the Socialist Federal Republic of Yugoslavia is the sign of a vessel's Yugoslav nationality.

Article 169

The flag of the merchant marine of the Socialist Federal Republic of Yugoslavia shall be identical with the flag of the Socialist Federal Republic of Yugoslavia, but the ratio of its width to its length shall be 1:1.5.

Article 170

A vessel entered in the Yugoslav register of ships, other than a maritime service craft, a nonpowered inland vessel and an inland service craft, and a vessel which has been issued a temporary sailing certificate must have a name.

A maritime service craft, a nonpowered inland vessel and an inland service craft entered in the Yugoslav register of ships or issued a temporary sailing certificate must have numbers, and in addition to the numbers it may also have a name.

Two vessels may not have the same name, nor may two service craft, two nonpowered inland vessels nor two boats have the same numbers.

In addition to the name and numbers referred to in Paragraphs 1 and 2 of this article, an inland vessel must also display other markings for purposes of identification as defined by special regulations.

Article 171

A maritime or inland vessel must bear the name of its home port.

The home port is the port with jurisdiction over the headquarters of the agency keeping the register in which the vessel is entered.

Article 172

A maritime ship or maritime boat with radiotelegraph or radiotelephone equipment must have a call sign pursuant to regulations on international radio communication.

Chapter II. Registration of Vessels

Article 173

With respect to enforcement of the provisions in this chapter of the law the following are regarded as equivalent to an inland vessel: hydrofoil

craft, ferries, dredges, cranes and all other service craft and devices of similar nature.

Article 174

A vessel which in its entirety is socially owned or owned by a national of the Socialist Federal Republic of Yugoslavia residing in the Socialist Federal Republic of Yugoslavia or by civil legal persons with headquarters in the Socialist Federal Republic of Yugoslavia must be entered in the register of ships.

Article 175

The following may be entered in a register of ships:

1) a vessel which is entirely or partly owned by a foreign national or stateless person or national of the Socialist Federal Republic of Yugoslavia with domicile abroad if the operator of that vessel is a Yugoslav organization of associated labor or other legal person with headquarters in the Socialist Federal Republic of Yugoslavia or a national of the Socialist Federal Republic of Yugoslavia in the Socialist Federal Republic of Yugoslavia, provided that its owner consents to the Yugoslav operator's application for entry of that vessel in the register of ships;

2) an inland vessel the major portion of which is owned by a foreign national or stateless person residing in the Socialist Federal Republic of Yugoslavia or a foreign legal person, provided that the place from which the vessel is regularly administered is located on the territory of the Socialist Federal Republic of Yugoslavia;

3) a yacht which is entirely or partly owned by a foreign national or stateless person or national of the Socialist Federal Republic of Yugoslavia not residing in the Socialist Federal Republic of Yugoslavia whose entry in the Yugoslav register of ships, upon application by its owner, is allowed by the Federal Committee for Transportation and Communications;

4) an inland vessel whose major portion is owned by a national of the Socialist Federal Republic of Yugoslavia not residing in the Socialist Federal Republic of Yugoslavia whose entry in the Yugoslav register of ships, upon the application of its owner, is allowed by the Federal Committee for Transportation and Communications.

The decision rejecting an application for registration of a yacht or vessel under Points 3 and 4 of Paragraph 1 of this article need not contain the reasons for refusal of registration.

Article 176

A vessel being built in a Yugoslav shipyard may be entered in the register of ships under construction upon application of the holder of the right of possession of the vessel or the vessel's owner.

Article 177

Should a yacht be entered in the register of ships under Article 175, Paragraph 1, Point 3, of this law or an inland vessel be entered under Article 175, Paragraph 1, Point 4, of this law, the owner of the yacht or inland vessel must authorize an organization of associated labor or national of the Socialist Federal Republic of Yugoslavia residing in the Socialist Federal Republic of Yugoslavia to act as its agent before competent Yugoslav authorities when he is absent from the Socialist Federal Republic of Yugoslavia.

Article 178

A vessel entered in a foreign register of ships may not be entered in the Yugoslav register of ships.

Article 179

A vessel shall be deleted from the register of ships in the following cases:

- 1) if it has sunk or is assumed to have sunk;
- 2) if it no longer meets the conditions contained in Articles 174 and 175 of this law;
- 3) if it permanently withdrawn from service;
- 4) if it has been entered in another Yugoslav register of ships.

It shall be assumed that a maritime vessel has sunk if 3 months have passed since last news of the vessel was received. In such case it shall be assumed that the vessel sank on that day when the last available news of it was received.

The provisions of Paragraphs 1 and 2 of this article shall also be appropriately applied to deletion of a vessel under construction from the register of vessels under construction.

Article 180

Registers of ships shall be public books.

Everyone shall have the right to examine and copy the main book of the register, the file of certificates, the directory of holders of the right of possession of the vessel or shipowners and the directory of vessels.

The agency keeping the register of ships, upon receipt of the specified fee, is required to issue to a person so requesting a certificate as to the status of the entry in the register of ships or the entry of ships under construction and a copy of documents which are kept in the file of certificates, if entries in the register refer to those documents.

The certificates and copies of documents referred to in Paragraph 3 of this article shall have the legal force of public documents.

Whosoever in legal transactions acting in good faith puts reliance on the data entered in the register of ships shall not bear the legal consequences which ensue therefrom.

Article 181

The following registers of ships shall exist for enrollment of vessels:

1) for registration of maritime vessels:

- i. register of maritime merchant vessels;
- ii. register of maritime fishing vessels;
- iii. register of maritime public vessels;

2) for enrollment of inland vessels:

- i. register of inland vessels;
- ii. register of inland public vessels.

For enrollment of vessels under construction there shall be a register of maritime vessels under construction and a register of inland vessels under construction.

Article 182

The registers of maritime vessels and the registers of inland vessels (hereafter referred to as "registers of ships"), registers of maritime vessels under construction and registers of inland vessels under construction (hereafter referred to as "registers of vessels under construction") shall consist of main books and files of documents.

Article 183

The main book of the register of vessels under construction shall be a loose-leaf book.

Each entry shall consist of sheet a, sheet b and sheet c.

As an exception the entry in the main book of the register of maritime public vessels and the entry in the main book of the register of inland public vessels shall consist only of sheet a and sheet b.

Each ship shall have a separate entry.

Article 184

Data on the identity of the ship or ship under construction and their principal technical characteristics shall be entered on sheet a of the main book of the entry in the register of ships and the register of ships under construction.

Article 185

The corporate name or title and address of the holder of the right of possession of the ship or ship under construction or the name and residence of the natural person or the corporate name or title and address of the civil legal person who is the owner of the vessel and the personal restrictions on the owner concerning free disposition of the vessel or vessel under construction shall be entered on sheet b of the entry in the main book of the register of ships and the register of ships under construction concerning a socially owned vessel.

The corporate name or title and address or name and residence of the carrier shall be entered on the sheet b referred to in Paragraph 1 of this article if the vessel is wholly or partially owned by a foreign national or stateless person, and the entry is made on the basis of Article 175, Paragraph 1, Points 1 and 2, of this law. In other cases these data on the carrier may be entered in order to record the existence of an operator of a vessel who is not the holder of the right of disposition of the vessel or is not the owner of the vessel.

The corporate name or title and address or personal name and residence of the operator and customer shall be entered on sheet b of the register of ships under construction for recordkeeping purposes.

Article 186

A contract lien, demise charter or time charter shall be entered on sheet c of the entry in the main book of the register of ships in the case of a socially owned vessel.

In the case of a vessel which is owned by a natural person or civil legal person the real rights to the vessel or portion of the vessel and encumbrances on those rights, demise charter, time charter, option to buy, and other limitations on disposition of the vessel to which the owner of the encumbered vessel is subject, prohibitions against encumbering or conveying the vessel, and all notations for which there is not explicit provision that they be entered on another sheet of the entry shall be entered on sheet c of the entry in the main book of the register of ships.

The data referred to in Paragraphs 1 and 2 of this article shall be entered on sheet c of the entry in the main book of the register of ships under construction.

Part Four. Principal Relations in Property Law With Respect to Ships

Chapter I. Right of Possession of a Socially Owned Vessel

Article 187

A vessel which is socially owned must have Yugoslav nationality [altered by translator; original reads: A vessel which has Yugoslav nationality is social property.].

A vessel owned by a domestic or foreign physical or civil legal person may have Yugoslav nationality within the limits and under the conditions defined by law.

A vessel which is the property of a foreign national may have Yugoslav nationality under the conditions defined in Article 175 of this law.

Article 188

The holder of the right of possession of the vessel may exercise that right in the following ways:

- 1) he may convey the vessel to another public legal person with or without compensation;
- 2) he may convey a vessel which is social property to the holder of the right of ownership, but only for compensation;
- 3) to establish a contract lien on the vessel;
- 4) to convey or alienate the vessel by abandoning it to the advantage of the insurer;
- 5) to conclude shipping contracts and charter parties.

Article 189

The ship and the ship under construction are movables.

Article 190

The right of possession of a socially owned vessel and a contract lien on a socially owned vessel shall be entered in the register of ships.

The legal transaction referred to in Paragraph 1 of this article must be concluded in writing to be valid.

A legal transaction which has not been concluded in writing has no legal force.

A contract lien under the provisions of this law has legal force for third parties from the moment of its entry in the register of ships.

Article 191

The provisions of Article 190, Paragraph 1, of this law shall not apply to the following:

- 1) the passage of the right of possession of a socially owned ship to the insurer by virtue of acceptance of a declaration of abandonment or payment of indemnity under Article 714, Paragraph 3, of this law;
- 2) acquisition of the right referred to in Article 190 of this law by virtue of inheritance and public sale;
- 3) acquisition and termination of the right referred to in Article 190 of this law to ships which have sunk, should those rights be acquired or should they terminate because of failure to raise the vessel in the time specified by this law (Article 789).

Article 192

The ship's appurtenances are things which by their intrinsic purpose permanently serve some use of the vessel even when they are temporarily detached from it.

Appurtenances also represent all things which are entered in the ship's inventory.

Article 193

The provisions of Articles 190 and 191 of this law shall also apply to ships under construction which are being built in Yugoslav shipyards from the moment of their entry in the register of vessels under construction.

Article 194

The legal effect of entry of the right referred to in Article 190, Paragraph 4, of this law with respect to other entries depends on the order of priority which that entry has under Article 252 of this law.

Article 195

A vessel may not be deleted from the Yugoslav register of ships if this act is opposed by a creditor who holds a lien on the vessel by operation of law.

If a contract or conventional lien has been raised on the vessel, consent of the creditors with conventional liens is required for deletion of the vessel from the register of ships.

In the cases referred to in Paragraphs 1 and 2 of this article the competent regular court may allow deletion of a vessel from the register of ships even without consent of a creditor holding a conventional lien or notwithstanding the opposition of a creditor holding a lien by operation of law if a sum of money is deposited with the court in the amount of the claims of the respective creditors, or if security is provided which the court, after hearing the creditors, finds to be sufficient.

The provisions of this article shall also apply to vessels under construction.

The provisions of this article shall not apply to deletion from the register of ships of a vessel as referred to in Article 179, Paragraph 1, Points 1 and 4, of this law.

Article 196

The provisions of Article 195 of this law shall not apply to transfer of the right of possession of a vessel or alienation of a vessel or vessel under construction by abandonment to the insurer.

Article 197

Conveyance or alienation of a vessel shall also include the ship's appurtenances.

Conveyance or alienation of a ship shall not include those appurtenances which with the consent of the holder of the right of possession of the ship are covered by an entry in the register of ships to the effect that they belong to the socially owned assets of another organization of associated labor or other public legal person.

Article 198

The right of possession of a vessel under construction includes things which have been installed in the vessel under construction.

Unless an entry otherwise has been made in the register of ships under construction, the right of possession of a vessel under construction also includes things which are in the shipyard and which have not been installed in the ship under construction, if by the nature of their manufacture they are destined exclusively for installation in that particular ship or as part of its appurtenances, or if they have been evidently marked or set aside for installation in that ship.

Chapter II. Basic Relations of Ownership

Article 199

The right of ownership, the conventional lien and the lien by operation of law may exist on a vessel or a vessel under construction.

A vessel and a vessel under construction may be jointly owned.

The size of ship or vessel under construction which may be owned or co-owned, the size of the share of each individual co-owner and their mutual relations shall be regulated by law.

Article 200

The provisions of Articles 190 through 198 of this law shall apply to the acquisition, conveyance, restriction and termination of the right referred to in Article 199 of this law.

Chapter III. Liens

1. The Conventional Lien Against a Vessel

Article 201

A contract or conventional lien against a vessel is a right whereby the creditor is authorized to satisfy his claim from the proceeds of the vessel obtained from judicial sale.

A contract lien against a socially owned vessel may be raised by contract only toward an organization of associated labor or other public legal person or toward a foreign person.

A contract lien against a ship shall be satisfied after a statutory lien against the vessel has been satisfied.

A contract lien against a vessel shall not terminate when there is a change in the holder of right of possession of the vessel or owner of the vessel unless this law states otherwise.

Article 202

Under the conditions referred to in Article 201, Paragraph 2, of this law a third party may on the basis of a contract acquire an interest (sublien right) in a contract lien against a vessel.

In the case referred to in Paragraph 1 of this article the debtor on the basis of the contract lien can settle his debt to the creditor holding the contract lien only if this is allowed by the creditor holding interest in the contract lien or the sum due is deposited with the court. If the holder of the contract lien does not so act, the contract lien remains in effect with respect to the claim of the creditor holding the interest in the contract lien.

Article 203

A contract lien against a vessel shall also extend to the vessel's appurtenances.

The provision of Article 197, Paragraph 2, of this law shall also be appropriately applied to a contract lien against a vessel's appurtenances.

Article 204

A contract lien against a vessel shall also attach to the following claims of the vessel (uzgrednosti):

- 1) claims based on compensation for loss pertaining to material damage which the vessel has incurred and which still has not been repaired;
- 2) claims on the basis of general average damages, if they pertain to material damage to the vessel which still has not been repaired.

Article 205

A contract lien against a vessel shall not attach to affreightment, fares, towage and charter payments, nor to salvage awards, unless otherwise stipulated by contract.

Article 206

A contract lien against a vessel shall also extend to insurance indemnity pertaining to the vessel which is owing to the holder of the right of possession of the vessel or to the owner of the vessel, unless otherwise stipulated by contract.

A contract lien against insurance indemnity shall terminate if the insurer pays the indemnity before the contract lien creditor informs him of the existence of the contract lien.

If the insurer has been informed of the contract lien against the insurance indemnity, he may not pay the insured without the consent of the contract lien creditor.

Article 207

In addition to the principal to which the contract lien applies, a lien shall also exist against costs of filing the contract lien and of trial and executive proceedings.

Delinquent interest owing to the creditor up to 3 years on the basis of contract or law shall have the same priority as the principal.

Article 208

When a vessel incurs such damage or its condition is such that the contract lien does not afford sufficient security that the claim will be satisfied, the contract lien creditor may demand payment of the claim even before it comes due if the debtor does not offer him other security to cover the difference that has come about by this reduction of security.

Article 209

A vessel to which a contract lien attaches may be permanently withdrawn from service only with the prior consent of contract lien creditors.

If contract lien creditors have not granted consent under the provision of Paragraph 1 of this article, the contract lien debtor has the right to petition the court that the vessel be sold in a public sale.

Article 210

The provisions of this law concerning the contract lien against a vessel shall also apply to a contract lien against a vessel under construction which is entered in the register of vessels under construction.

Article 211

A contract lien against a vessel shall terminate under the following conditions:

- 1) when deleted;
- 2) when the ship is sold in executive or bankruptcy proceedings;
- 3) when the vessel is proclaimed a prize, that is, captured by an enemy at sea.

If in the case referred to in Point 3 of Paragraph 1 of this article the vessel should become freed, the contract lien shall be reestablished.

Article 212

Rights and their order of priority acquired by the filing of a contract lien shall not terminate when the vessel is deleted from the register of ships on the grounds that the ship is lost or is assumed to have been lost or has been permanently withdrawn from service (Article 179, Paragraph 1, Points 1 and 3).

Article 213

A single filing may be made of a contract lien representing a single claim attaching to two or more vessels or vessels under construction or of two or more contract lien claims (joint contract lien).

In the case referred to in Paragraph 1 of this article the creditor is entitled to settlement of the entire claim from each individual vessel to which the contract lien attaches.

Article 214

If a contract lien has been filed against a vessel to the advantage of a foreign national or stateless person or foreign legal person for a claim in a foreign currency, such person has the right of free disposition of funds obtained from the proceeds of a public judicial sale of the vessel.

Article 215

A contract lien recorded in a foreign public register against a vessel which acquires Yugoslav nationality, that nationality being indicated in the document deleting the vessel from the foreign register, shall be entered in the Yugoslav register of ships as a provisional filing of a contract lien, and that lien shall be assigned order of priority on the basis of the time which was taken for establishing its order of priority in the foreign register.

The contract lien creditor to whose advantage this provisional filing has been made must justify the provisional filing within 60 days from the date of the notice of registration.

2. Liens on a Vessel Arising by Operation of Law

Article 216

Legal liens on a maritime vessel shall arise with respect to the following:

1) court costs incurred in the common interest of all creditors in proceedings of execution or attachment for the sake of preserving the vessel or of conducting a sale, and the cost of keeping it and overseeing it from the vessel's entry in the last port; port charges and charges for services of the service responsible for safety of navigation; pilotage expenses; claims based on social security contributions; claims of the competent agency for raising the vessel or removing the wreck as ordered and done;

2) claims of the master and other members of the crew arising out of the relation of employment on the vessel;

3) claims on the basis of a salvage award and the vessel's contribution to general average damages;

4) claims on the basis of compensation for damages because of a collision of vessels or other shipping accidents and compensation for damage to port equipment, docks and waterways; claims based on compensation for damage because of physical injury of passengers and crew members; claims based on compensation for damage because of loss or damage to cargo and baggage;

5) claims arising from contracts concluded or jobs ordered to be done by the master, at another place than the carrier's domicile, on the basis of his legal authority to meet the real needs of preserving the vessel or to continue the voyage, regardless of whether the master is at the same time the owner or operator of the vessel and whether he himself has claims either as purchaser, repairer, lender or other party to a contract.

A legal lien against the ship shall exist not only for the principal, but also for interest.

Article 217

Legal liens against a maritime vessel shall also attach to appurtenances.

Article 218

Legal liens against a maritime vessel shall also attach to freight or fares and to towage of that voyage during which the claim secured by the legal lien came about and to the proceeds of the vessel and freight or fares and towage accrued from the beginning of the voyage.

Article 219

Legal liens against an inland vessel exist for the following:

1) court costs incurred in apprehending and holding a vessel from the moment of apprehension in proceedings of execution or attachment, including expenses necessary to the vessel's maintenance;

2) claims of the master and other crew members of the vessel arising out of employment on the vessel over the previous 6 months of their employment;

3) claims based on a salvage award and the vessel's contribution in general average damages.

The legal lien in favor of the principal shall also exist for interest and costs of obtaining an executive writ.

In case of an execution sale of an inland vessel which has been grounded, disabled or sunk, and which in the general interest has been removed on order of the competent authority, the cost of removal shall be met before division of the proceeds and even before the claims of contractual and legal lien creditors.

Article 220

Legal liens against an inland vessel shall also attach to all things which on the basis of their purpose are permanently attached or mounted to the vessel and which belong to the holder of the right of possession of the vessel or the shipowner.

Article 221

The claims of the master and other members of the crew arising out of employment, pursuant to Article 216, Paragraph 1, Point 2, and Article 219, Paragraph 1, Point 2, of this law, are assumed to be claims of the master and other crew members on the basis of personal income from employment when the relations concerned are between public legal persons, civil legal persons and citizens of the Socialist Federal Republic of Yugoslavia to which Yugoslav law applies exclusively.

Article 222

The provisions concerning legal liens against a vessel shall not apply to claims on the basis of indemnity for nuclear damage.

Article 223

Legal liens are not extinguished by a change in the holder of the right of possession of the vessel or the owner of the vessel unless this law states otherwise.

Article 224

Legal liens against a maritime vessel shall also attach to the following proceeds (uzgrednosti) of the vessel and freight:

- 1) claims owing on the basis of indemnity for loss pertaining to material damage still not repaired which the vessel suffered or for loss of freight or fares and towage;
- 2) claims owing on the basis of general average damages if they pertain to the vessel's material damages which have still not been repaired or to loss of freight or fares and towage;
- 3) claims owing on the basis of a salvage award after deduction of amounts which the master and other crew members of the vessel are entitled.

Article 225

Legal liens against an inland vessel shall also attach to the following proceeds (uzgrednosti) of the vessel:

- 1) claims on the basis of indemnity for loss arising out of loss of the vessel or material damage still unrepaired which the vessel suffered;
- 2) claims on the basis of general average damages if they pertain to the vessel's material damage which is still unrepaired;
- 3) claims on the basis of a salvage award for the vessel's material damage which is still unrepaired.

Article 226

Legal liens against a vessel do not attach to claims owing to the holder of the right of possession of the vessel or the shipowner on the basis of an insurance contract, nor to premiums, subsidies and other grants of sociopolitical communities.

Article 227

Under the provisions of this law pertaining to legal liens (Articles 216 through 238) the affreightment or fares of a maritime vessel are understood to be freight and fares which the shipper or passenger owes the carrier.

Legal liens in favor of the persons referred to in Article 216, Paragraph 1, Point 2, of this law shall attach to amounts of freight or fares and towage owing for all voyages performed during the period of that same employment relation on the same vessel.

Legal liens for the claims arising out of the claims referred to in Article 216, Paragraph 1, Points 3 and 5, of this law and arising out of claims because of collisions and other shipping accidents, and compensation for damage to port facilities, docks and waterways as referred to in Article 16, Paragraph 1, Point 4, of this law, shall attach only to those proceeds of the vessel and freight or fares and towage referred to in Article 224 of this law which were earned after those claims came about.

Article 228

Claims secured by a lien which pertain to one and the same voyage of a maritime vessel shall be met in the order of priority given in Article 216, Paragraph 1, of this law, while the claims referred to in Article 216, Paragraph 1, Point 2, of this law shall have the same priority as claims from the previous voyage.

If the claims listed under the various points of Article 216, Paragraph 1, of this law cannot be fully met, they shall be met in proportion to their amounts. Concerning the claims enumerated in Article 216, Paragraph 1, Points 3 and 5, of this law, within the group of claims to which each of those points pertains, the later claim shall have priority over the prior one.

It shall be assumed that claims related to the same event have been incurred simultaneously.

Article 229

Claims secured by a lien during a maritime vessel's last voyage shall have priority over the claims of the previous voyage.

Legal liens in favor of the persons referred to in Article 216, Paragraph 1, Point 2, of this law and arising out of one and the same employment relation extending over several voyages, shall have the same order of priority as claims from the last voyage.

Article 230

Claims secured by a legal lien against inland vessels shall be met in the order of priority given in Article 219, Paragraph 1, of this law. If claims which have the same order of priority cannot be fully met, they shall be met in proportion to their amounts, and the claims referred to in Article 219, Paragraph 1, Point 3, of this law shall be met in such manner that the more recent claims shall have priority over a prior claim.

It shall be assumed that claims related to the same event have been incurred simultaneously.

Article 231

A legal lien against freight or fares and towage may be enforced so long as the freight or fares and towage are owing or so long as their amounts are still in the hands of the master or the ship's agent.

A legal lien on proceeds may be enforced so long as the claim is owing or so long as the amount paid against that claim is still in the hands of the master or the ship's agent.

Article 232

Legal liens on a vessel are extinguished as follows:

- 1) with termination of the claim secured by the legal lien;
- 2) at the end of 1 year, and at the end of 6 months in the case of the legal lien referred to in Article 216, Paragraph 1, Point 5, of this law;
- 3) with the sale of the vessel in execution or bankruptcy proceedings;
- 4) with the sale of the vessel under the following conditions:
 - i. provided entry of conveyance of the right of possession of the vessel or ownership of the vessel in the register of ships has been published;
 - ii. provided that registration of conveyance of the right of possession or ownership of the vessel in the register of ships has been published in the official gazette in which entries in the register of organizations of associated labor are published, this to be done at the place where the register in which the vessel is entered is kept; also by posting notice on the bulletin board of the court in whose jurisdiction the register of ships where the vessel is entered is kept;
 - iii. provided that the legal lien creditor does not institute proceedings to settle his claim within 2 months from the date of publication of the entry in the official gazette or before expiration of the period referred to in Point 2 of this paragraph;
- 5) by establishing the limited liability fund for claims secured by legal liens which are subject to limitation of liability.

Legal liens on a maritime vessel are extinguished if the vessel is claimed as a prize, that is, spoils of war taken at sea. Should the vessel be freed, legal liens which had not already been extinguished under Point 2 of Paragraph 1 of this article before the vessel was taken shall be reinstated.

Article 233

The period referred to in Article 232, Paragraph 1, Point 2, of this law shall be counted as follows:

- i. in the case of legal liens arising out of salvage claims--from the date when the salvage work was completed;
- ii. in the case of a legal lien arising out of a collision of ships or other shipping accident and arising out of claims because of physical injuries--from the date when the damage was incurred;

iii. in the case of a legal lien arising out of loss or damage of cargo or baggage--from the date when the cargo or baggage was delivered or should have been delivered;

iv. in the case of a legal lien arising out of repairs and purchases and other claims envisaged in Article 216, Paragraph 1, Point 5, of this law--from the date when the claim arose;

v. in all other cases--from the date when the claim became due.

The period referred to in Article 232, Paragraph 1, Point 2, of this law shall cease to run when suit is filed to enforce the claim secured by the legal lien. If the legal lien is against a maritime vessel, that period shall cease to run when suit is filed only if the vessel is arrested or if a notation of the filing of the suit is entered in the register of ships in which the vessel is registered.

When judgment is rendered following the suit which was the subject of the notation becomes final, the legal lien shall terminate at the end of 60 days from the date when the judgment became executable if within that period the creditor does not sue for sale of the vessel or if the court, on his petition, does not arrest the vessel. Within that period the creditor has the right to request of the court that it enter his legal lien in the register of ships with the order of priority based on the moment when the notation of the suit to enforce the legal lien was entered in the register of ships.

Article 234

The provisions of this law concerning legal liens against a vessel shall also apply when the vessel is being used by a person who is not the holder of the right of possession of the vessel or the owner of the vessel, unless the vessel has been taken from the holder of the right of possession of the vessel or the shipowner by an unlawful act, and the legal lien creditor is not acting in good faith.

Article 235

The claim secured by a legal lien does not terminate when the legal lien against the vessel is extinguished.

When a claim secured by a legal lien is assigned, the legal lien against the vessel is also transferred.

Article 236

A legal lien against a vessel does not terminate when the vessel is deleted from the register of ships.

Article 237

The provisions of Articles 216 through 236 of this law shall not apply to vessels registered in the register of public vessels.

Article 238

The provisions of this law concerning legal liens against a vessel shall also apply to small craft and vessels under construction which are able to float.

Chapter IV. Procedure for Registration in Registers of Ships

1. General Provisions

Article 239

The provisions of this law concerning procedure for registration of vessels in registers of ships shall also apply to vessels under construction unless this law states otherwise.

Article 240

Entries in the register of ships shall be made on the basis of decisions of the competent authorities.

The decision concerning an entry in sheet a of the entry in the main book of the register of ships shall be made by the agency keeping the register of ships in which the ship is registered.

The decision concerning the first registration of a ship, decisions concerning entries on sheets b and c of the entry in the main book of the register of ships and decisions to delete a ship shall be made by the regular court which has jurisdiction with respect to subject matter whose jurisdiction extends over the headquarters of the agency keeping the register of ships.

The decision to transfer the registration of a vessel from one Yugoslav register of ships to another Yugoslav register of ships shall be made by the regular court with jurisdiction as to subject matter whose jurisdiction extends over the headquarters of the agency which keeps the register of ships in which the vessel is to be registered.

The registration proceedings referred to in Paragraph 2 of this article shall be conducted according to the provisions of the Law on General Administrative Procedure.

Article 241

Only the following may be entered in the register of ships: the right of disposition of a ship and contract lien against a ship, demise charter and time charter, and in the case of vessels which are not socially owned--real rights, the right of demise charter, time charter, and the right of first refusal.

Article 242

The entry in the register of ships shall contain the text of the registration decision.

If because of the state of the entry in the register of ships the registration decision cannot be carried out, registration can be made solely on the basis of a new decision which corrects or modifies the previous decision.

Article 243

Entries to be made on the basis of this law are the following:

- 1) original registration in the register of ships--whereby a vessel which had not previously been registered in the Yugoslav register of ships is registered in the Yugoslav register of ships;
- 2) entry on sheet a--whereby data identifying the vessel and its technical characteristics are entered on sheet a of the entry in the main book of the register of ships;
- 3) recording--whereby the recording, transfer, limitation or extinction of a right are done without special justification (unconditional entry of a right or unconditional deletion);
- 4) provisional registration--whereby the recording, transfer, limitation or extinction of a right are obtained under condition of subsequent justification (conditional recording of a right or conditional deletion);
- 5) notation--whereby a record is kept of personal relations important to disposition of property or other facts whose notation is required by law for certain legal effects;
- 6) transfer of ship registration--whereby a ship is transferred from one Yugoslav register of ships to another Yugoslav register of ships;
- 7) deletion of a ship--whereby a ship is deleted from the Yugoslav register of ships.

Article 244

The right of possession of a vessel and the contract lien on such vessel or the right of ownership and other real rights to a vessel which is not socially owned may be entered on the ship as a whole or on a share in a ship defined in terms of the whole, but not to individual components of the ship.

The contract lien may not be entered on a share in a ship in terms of the whole if the right of possession of the ship or right of ownership of the ship has been recorded in favor of one person, nor to a part of that share in a ship which has been recorded in the register of ships in the name of a single co-owner.

Assignment of a claim secured by a contract lien and acquisition of a right by subrogation may be recorded with respect to the entire claim or a part of it defined either in proportion or numerically.

Article 245

With respect to certain articles which are appurtenances of the vessel a notation may be made in the register of ships with consent of the holder of the right of possession of the ship or the ship's owner that they belong to the assets of another organization of associated labor or are the property of another person.

Article 246

The recording of a contract lien must contain at least the following:

- 1) the amount of the claim which is secured by the contract lien;
- 2) the rate of interest, if interest must be paid on the claim;
- 3) the corporate name or title and address or personal name and residence of the contract lien creditor;
- 4) provisions concerning maturity if they have been stated in the instrument.

Article 247

If a contract lien secures claims which may arise on the basis of credit which has been approved, because of management which has been assumed, or because of surety or compensation for damages, the instrument which is the basis for making the record must state the highest amount which the credit or liability may attain.

Article 248

Entries are allowed only against persons in whose favor the right of disposition of the ship or right of ownership or that right with respect to which the entry is being made is at the time of filing already entered in the register of ships or simultaneously entered.

Article 249

If several persons in succession have acquired the right to enter some particular right on a vessel or on a right recorded against a vessel, but have not recorded that right, the last person to so acquire that right may apply for entry of that right directly in his favor if he presents evidence identifying his predecessors.

If a claim secured by a contract lien entered in the register of ships has been assigned to some person, and the claim has been satisfied, the debtor, provided he proves the assignment, may apply for deletion of the entry without prior entry of the assignment.

Article 250

If a creditor entitled to apply for entry of a contract lien on a vessel or subrogee's right on a recorded lien of his debtor does not apply for that recording, his surety may apply for the recording of those rights in favor of the creditor.

Every co-owner may seek entry for himself and in the name of the other co-owners of joint rights which cannot be divided in proportion to the whole.

Article 251

An entry in the register of ships on the basis of a court decision concerning inheritance and legacy shall be made on the basis of a valid decision of the competent probate court.

2. Order of Priority

Article 252

The order of priority of registration is based on the moment when the application for registration reached the agency keeping the register of ships in which the entry is made.

Recordings made on the basis of applications which arrived at the same time shall have the same order of priority unless otherwise provided for in some other law.

Article 253

Recording or provisional registration of a waiver of priority may alter the order of priority of rights recorded on a ship. But the change requires consent of the holder of the right who is waiving his order of priority and whose right is receding and of the holder of the right which is advancing to take its place. If the right receding is a contract lien, consent of the holder of the right of possession of the vessel or the ship's owner is also required; if the right which is receding is burdened by a right of a third party, the consent of that person is also required. Such change does not affect the extent and order of priority of other recorded rights.

Article 254

The right which is advancing acquires without limitation the order of priority of the right which is receding, if such rights are entered in the register of ships immediately one after the other or if it is being given priority by all holders whose rights are entered between them.

Article 255

If the rights affected by a waiver of priority are not entered immediately one after the other, without the consent of the holders whose rights are entered between them, the right which is advancing assumes the order of priority of the right which is receding only within the extent and content of that right.

If the right which is receding is conditional or affected by a time limitation, in execution proceedings before that condition comes about or term expires the right which is advancing may be satisfied only in the amount to which that right is entitled on the basis of its original order of priority.

If the purchaser in a public sale must assume a right which is receding according to its previous order of priority without inclusion in the purchase price, when the proceeds of the purchase are being divided, the right which is advancing shall be taken into account on the basis of its previous order of priority.

Article 256

The right which is advancing has priority even in its original place over the right which is receding, unless otherwise stipulated by contract.

Article 257

If a waiver of priority applies to several rights yielding their places to another right, and the waiver is recorded simultaneously, the right which had priority in the order of priority before the waiver shall also have priority in the new position in the order of priority, unless otherwise stipulated by contract.

Article 258

Subsequent changes concerning existence or extent of rights which are receding by a waiver of priority will not affect the order of priority of the right which is advancing, unless otherwise stipulated in contract.

3. Declarations and Applications

Article 259

The decision concerning entry of a vessel in the register of ships shall be made on the basis of a notice or application of the authorized party or request of the competent agency, unless otherwise provided for in this law.

Notices and applications or requests as referred to in Paragraph 1 of this article shall be filed with the agency keeping the register of ships in which the ship is registered or is to be registered.

Article 260

Notices and applications for registration of a vessel in the register of ships shall be filed in a sufficient number of copies with the agency keeping the register of ships, as follows: for that agency, for the court which renders a decision on registration (Article 240, Paragraph 3) and for the parties to whom the decision on ship registration must be delivered.

If the notice or application is not filed in a sufficient number of copies, the agency referred to in Paragraph 1 of this article shall call upon the applicant to do so within a specified period of time. If the applicant does not act accordingly, that agency shall order the application to be copied at the applicant's expense.

Article 261

When a notice or application is affected by a time limitation provided for in the provisions of this law concerning procedure for entry in the register of ships, the application shall have been filed on time only if it reaches the competent agency in which the register of ships is kept before expiration of that period of time.

Periods of time provided for in the provisions of this law concerning procedure for registration in the register of ships, but not including periods of time for justifying a provisional registration (Articles 318 and 320) and the period of time for submitting an original document (Article 282) or a translation (Article 283), may not be extended.

There are no grounds for a return to the status quo ante if deadlines are missed as provided for by this law in proceedings for entry in the register of ships.

Article 262

A written notice shall be filed for the first registration of a ship whose entry in the register of ships is mandatory (Article 174), for entry of changes which are recorded on sheet a of the entry in the main book of the register of ships, or for recording of changes whereby a vessel is deleted from the register of ships.

A written application is filed for other entries.

Article 263

The notice or application for entry of a vessel in the register of ships must state the agency to which the notice or application is being submitted, the applicant's personal name and residence or corporate name and address and personal names or corporate names of those persons to whom the registration decision is to be delivered and the name or numbers of the vessel to which the entry applies.

The application or notice must precisely state what is to be entered in the register.

The application for recording shall tacitly include the application for provisional registration as well, unless the applicant for provisional registration has explicitly precluded this.

A single application may be made for several entries on the basis of a single document or for entry of one and the same right in several different ship entries or for entry of several rights to be entered in a single ship's entry.

Article 264

Notice for registration of vessels in the register of ships must contain all data which are entered in the register of ships. The notice must be accompanied by documents which prove the data being entered in the register of ships.

Article 265

An application being submitted by a legal representative of some person for entry of the acquisition, assignment, limitation or cessation of recorded rights to vessels must be accompanied by approval of the competent custodial agency when that approval is required.

Article 266

An entry on sheet a, recordings and provisional registrations may be allowed only on the basis of documents drawn up in the form prescribed for their validity.

Titles or names of persons party to a legal transaction referred to in the documents serving as the basis for the entry must be given precisely and accurately. The document must also state the place where it was drawn up and the date when it was drawn up.

Valid legal basis must also be referred to in documents concerning acquisition, transfer, limitation and cessation of rights as referred to in Article 190 of this law.

Documents used as basis for entry in the register of ships may not have any visible defects which diminish their authenticity; if they consist of more than one sheet, they must be bound together so that no sheet can be inserted.

Article 267

Documents being used as basis for entries on sheet b and sheet c of the register of ships must be filed in the original, while other documents may be filed in a certified copy.

One uncertified copy or photocopy of each document referred to in Paragraph 1 of this article shall also be appended for the file of documents. The keeper of the register of ships shall verify that that copy or photocopy agrees with the original.

If the original of a document is among official documents or in the safe-keeping of an agency which keeps a register of ships or if it has been appended to an application or notice already filed, it is sufficient to file a copy or photocopy in two copies and to state where the original is located.

If the original of a document cannot be immediately submitted because it is in the possession of another agency or court, this should be stated in the application or notice, and a copy or photocopy should be appended along with the certification of the administrative agency or court that the copy or photocopy agrees with the original and an uncertified copy or photocopy of the document.

Article 268

Documents in a foreign language must be accompanied by a certified translation in one of the languages of the nationalities or ethnic minorities of Yugoslavia in conformity with the SFRY Constitution and law.

4. Recording Procedure

a) General Provisions

Article 269

In an extrajudicial proceeding a registration in the register of ships which is done before a court, the provisions of the Law on Procedure in Civil Actions shall be appropriately applied unless otherwise provided for by this law.

The proceeding referred to in Paragraph 1 of this article shall be conducted by a single judge.

Article 270

In the proceeding of registration in the register of ships the parties are the individuals seeking the registration and all of the persons whose rights are recorded in the register of ships.

Article 271

An agreement among the parties concerning the jurisdiction of the court has no legal effect.

Article 272

The court shall render its determinations in the form of decisions in the proceeding of registration in the register of ships.

Article 273

The hearing of the parties and other participants in the proceeding of registration in the register of ships may be done either orally or by affidavits. If several persons must be heard, some of them may be heard in the absence of the others.

Article 274

A record shall be kept of oral actions taken in the course of the proceeding of registration in the register of ships.

Only an official note in the record shall be made of the less important statements or reports instead of a record.

Article 275

Every party bears its own expenses in the proceeding of registration in the register of ships.

Article 276

The time when the notice or application reached the agency keeping the register of ships shall be used by the court in deciding on the notice or application.

Article 277

A notice or application seeking registration in the register of ships shall be entered by the agency keeping the register of ships in the journal of the register of ships, indicating therein the date, hour and minute when the notice or application reached it. This agency must record in the entry of the register of ships where the vessel is registered, if an entry has been opened for that vessel, that the notice or application for registration has been filed, indicating in pencil the number under which the notice or application was recorded in the registration office.

If an entry has not been opened, as soon as the notice or application for first registration of the vessel in the register arrives, an entry is opened and the number under which the notice or application is entered in the journal of the register of ships is penciled in, along with the name or numbers of the vessel and the numbers of all other notices or applications which arrive up until the vessel's registration or until the decision rejecting registration of the vessel in the register becomes final.

An entry for first registration of a vessel in the register of ships shall not be opened unless the notice or application is altogether comprehensible and definite.

Article 278

Upon arrival of an application seeking recording, provisional registration or notation on a vessel already entered in the register of ships, the agency keeping the record of ships shall ascertain whether there are impediments to making the entry sought on the basis of the status of entries in the register of ships in which that vessel is registered. That agency shall indicate on the application itself that there are or are not impediments, and shall deliver the application with appended documents to the competent court.

The court is not bound by the report of the agency referred to in Paragraph 1 of this article concerning the status of entries in the register of ships, but is authorized to conduct the necessary inquiries on its own in order to establish the status in the register of ships.

Article 279

An application for transfer of a vessel's registration to a register of ships kept by another agency shall be filed with the agency with which the vessel is registered.

The application must be accompanied by documents proving that the qualifying conditions exist for transfer of a vessel's registration as referred to in Paragraph 1 of this article.

When the agency in whose register of ships a vessel is entered receives a notice or application for transfer of a vessel's registration, it shall note the request for transfer in a register of ships in which the ship is registered, and it shall send the notice or application along with an extract of the entry of the main book to the court competent on the basis of subject matter which has jurisdiction at the location of the agency to whose register of ships the registration is to be transferred. The agency from whose register of ships the vessel is being deleted shall enter the deletion of the vessel from the register of ships and send to the agency in whose register of ships it is being registered the file of documents pertaining to the vessel being deleted from its register of ships.

If an application has been filed for transfer of a vessel from one register to another being kept by the same agency, that agency shall act in accordance with the provisions of Paragraph 3 of this article.

Article 280

On the basis of the application or notice and accompanying documents the court shall allow registration in the register of ships as follows:

- 1) when the register of ships indicates no impediment to the entry that is sought with respect to the vessel or rights to the vessel and when the notice or application for first entry of a vessel in the register of ships meets the conditions set forth in Article 174 or 175 of this law;
- 2) when there is no reasonable doubt that the applicant is authorized to file the application and that the participants whose rights are concerned by the entry are able to dispose of those rights;
- 3) when on the basis of the content of the documents submitted the request is well founded;
- 4) when the documents are in the form required for allowance of recording, provisional registration or notation.

When registration in the register of ships has been allowed by another court than the court referred to in Article 240 of this law, the court referred to in Article 240 of this law shall confine itself to a decision on whether the registration is allowed with respect to the status of the register, while decisions concerning all other qualifying conditions for registration belong to the court allowing the registration.

Article 281

Aside from the cases envisaged in Articles 302, 322 and 346 of this law, the court shall decide the issue of each notice for application without hearing the parties and as a rule without rendering a preliminary decision (Articles 282, 283 and 366). The court is required to explicitly state in its decision whether it accepts the application or rejects it.

If the application is accepted only partially, the court shall order registration concerning that part in which the application was accepted, and shall reject that part of the application which is not being honored.

If the application is altogether or partially rejected, the decision shall state the reasons for the rejection.

Article 282

The court shall render its decision concerning registration in the register of ships on the basis of the original documents.

If the notice or application and appended copies of documents indicate that the request could be met had the original documents been submitted, the court, in order to preserve the order of priority concerning the right in question, shall order notation of the notice or application in the register of ships with the remark: provisional until arrival of the original.

At the same time the court shall give the applicant a reasonable time in which he must submit the original document, unless the court with possession of the document is automatically required to send it. If the court subsequently delivers the original document, or if the document is submitted within the prescribed period, a decision shall be made on the application with respect to the issue itself.

If the original document is not submitted within the period specified, even after extension, the application shall be rejected and deletion of the notation shall be automatically ordered.

If the application and appended documents indicate that the request could not be met even if the original documents had been filed, the court shall reject the application.

The provisions of this article shall be appropriately applied to notices for first registration of a vessel or vessel under construction.

Article 283

If a notice or application has not been accompanied by a translation of a document which is written in a foreign language, and if there is no indication from the notice or application that the request should be rejected, in

order to preserve the order of priority for the right in question, the court shall order notation of the application or notice in the register with the remark: provisional until arrival of translation. The court shall at the same time give the applicant a reasonable time in which he must submit the translation. If the translation is submitted within the period specified or within an extended period, it shall decide on the application with respect to the issue itself; otherwise the notice or application shall be rejected and deletion of the notice shall be automatically ordered.

Article 284

A court may not allow the recording in the register of ships of anything more or anything different from what the party has requested, even though the party, on the basis of the documents submitted, is authorized to request something more or something different.

If only provisional registration has been requested, recording may not be ordered, even though the qualifying conditions for recording do obtain.

Article 285

If it follows from the documents that a permit for recording has been granted to the person who has acquired the right of registration, but that limitations have simultaneously been imposed on him with respect to disposition of the right he has acquired, or if obligations have been imposed on him in respect of which recording in favor of certain authorized persons has at the same time been stipulated, the recording which has been sought cannot be allowed unless application has simultaneously been made for recording or---depending on the type of document---at least provisional registration of the restrictions or obligations stipulated.

An application for simultaneous registration of mutual rights and obligations may be filed by any of the parties.

Article 286

The decision allowing registration in the register of ships must contain the following:

- 1) the identifying symbol of the entry in which the registration must be made and the name of the vessel to which the registration pertains;
- 2) the title and address or name and address of the person in whose favor the registration is to be made, the ship or right against the ship on which the entry is to be made, indication of the documents which served as the basis for allowing the registration, the type of registration which is to be done and the essential substance of the right being registered, this to be written in the words which are to be entered in the register of ships.

If the substance of the right which is being registered cannot be expressed briefly, reference may be made to precisely indicated places in the documents serving as the basis for ordering the registration, the effect being the same as though those passages were actually entered in the main book.

The decision ordering registration of a right of possession of a vessel must also contain an order concerning registration of the vessel as social property.

The decision of a court ordering registration of a vessel in the register of ships must contain all data which must be entered on sheet a, this to be done in the words in which the data are given in the prior decision of the agency keeping the register of ships.

Article 287

When the decision on registration in a register of ships is rendered by another court than the court which has competent jurisdiction under the provision of Article 240 of this law, it shall deliver its decision to the agency keeping the register of ships in which the ship has been registered for conduct of proceedings in accordance with Articles 277 and 278 of this law. That agency shall deliver the entries to the court competent under Article 240 of this law. That court shall proceed in accordance with the provisions of Article 278, Paragraph 2, and Article 280, Paragraph 2, of this law and shall render a decision either ordering the registration to be made or a decision refusing to make the registration which has been allowed, and it shall deliver its decision to the court which rendered the decision allowing the registration and to the agency in which the register of ships in which the ship is registered is kept, with all the papers relative to the case, so that registration can be made and so that the decision can be delivered to the persons referred to in the decision.

Article 288

If the court referred to in Article 240 of this law rejects an application for recording or provisional registration or for first registration of a ship in the register of ships, or if it rejects an application for notation of order of priority, or if it refuses to make a registration which has been allowed (Article 287), the court shall order that a notation be made that these requests have been rejected. The court shall also follow this same procedure in a case of rejection of an application for permission to sell for collection of a claim on which no lien has been recorded.

Notation shall not be made in the following cases:

- 1) if it cannot be ascertained from the application and its appended documents which vessel or which rights the entry being requested pertains to or if the vessel or right has not been registered in the register of ships indicated, or if in the case of a notice or application for first registration an entry for registration has not been opened;

2) if the right of possession of the vessel or right of ownership or any other right to the vessel has not been registered in favor of the person against whom the recording or provisional registration can be made on the basis of the content of the documents.

The entry of a notation shall be indicated on the decision.

Article 289

If any of the applications enumerated in Article 288 of this law is rejected by another court than the court referred to in Article 240 of this law, that court shall automatically ask the court referred to in Article 240 of this law to order entry of the notation that the application has been rejected.

Article 290

When the court referred to in Article 240 of this law ascertains that a decision rejecting the registration as referred to in Articles 288 and 289 of this law has become valid because an appeal was not filed, it shall automatically render a decision to delete the notation that registration has been rejected and shall so inform the parties.

Article 291

The court shall deliver the registration decision, together with all documents appended to the application or notice of registration to the agency keeping the register of ships so that the entry can be made and procedure outlined in Articles 301 and 304 of this law followed and the decision delivered to the persons indicated in that decision.

Article 292

A registration decision shall be carried out by the agency keeping the register in which the vessel is registered; but if it is a first registration, this shall be done by the agency keeping the register in which the vessel is to be registered.

Article 293

Every registration, except a registration on sheet a concerning technical characteristics, must contain the following:

- 1) the date when the application was received and the number of its listing in the journal of the register of ships;
- 2) the title of the document which is the basis for registration, the place where the document was drawn up, and the date when it was drawn up;

- 3) the title of the court and the number and date of its decision allowing the registration;
- 4) the type of registration (Article 243) and the essential contents of the right or of the fact being recorded;
- 5) the title and address or name and address of the persons in whose favor the registration is being made.

If the agency simultaneously receives several applications pertaining to the same vessel, the numbers of the other applications and an indication that they arrived simultaneously shall be noted in each registration made in connection with those applications.

Article 294

When the agency keeping the register of ships receives the decision of the court ordering registration of a vessel in the register of ships, it shall at the same time record the vessel in sheet a and sheet b of the register of ships. Following registration this agency shall proceed according to the provisions of Articles 301 and 304 of this law.

When the agency referred to in Paragraph 1 of this article receives a court decision rejecting a request for entry of a vessel in the register of ships and ordering that notation of rejection of the application be entered, it shall enter the notation on sheet a of the entry opened in conformity with Article 277, Paragraph 2, of this law.

Article 295

A decision rejecting a notice or application for registration of a vessel in the register of ships shall be noted on sheet a of the entry opened in connection with the notice or application that has been filed.

The notation referred to in Paragraph 1 of this article shall not be entered unless a new entry was opened in response to the notice or application (Article 277, Paragraph 3).

Article 296

Every decision shall indicate to whom that decision is to be delivered and to whom the agency is to deliver the various documents (Article 304, Paragraph 2).

Article 297

Decisions on applications and notices for registration in the register of ships shall be delivered to the person filing the notice or application and to the person whose right of possession of the vessel or ownership is affected by the right being assumed or whose rights are being transferred,

limited, burdened or extinguished, and to the person against whom a notation has been entered in the register of ships.

A decision allowing complete or partial deletion of some entry shall also be delivered to all persons in whose favor there still remain entries or provisional registrations concerning the right which is registered.

A decision ordering recording or provisional registration whereby a lien is recorded against registered rights of third parties or rights are relinquished shall also be delivered to the holder of right of possession of the vessel or shipowner.

A decision allowing registration on petition of an authorized representative against the party which issued the power of attorney shall be personally served on the party if the power of attorney does not satisfy the provision of Article 307, Paragraph 2, of this law.

Article 298

The delivery referred to in Article 297 of this law shall be made in conformity with the provisions of the Law on Procedure in Civil Actions concerning personal service of process.

If the originals of the documents appended (Article 304) must be returned to the party, those originals shall be returned to the party who appended them unless the party specifies otherwise.

Article 299

The validity of a registration may not be contested because delivery was not punctually made or was not made at all.

A person who derives for himself some right or release from an obligation from a registration that has been made is not required to prove that delivery was made.

Article 300

The agency which has recorded a vessel's deletion from the register of ships shall issue a certificate of deletion to the party at his request. The certificate of deletion shall state the reason for the deletion and the decision on the basis of which deletion was made.

Article 301

Certification that the entry has been made shall be placed on the original of the document used as the basis for registration by the agency keeping the register of ships.

The certification referred to in Paragraph 1 of this article shall refer to the court decision ordering registration and the entry in which the registration was made.

If the entry was made on the basis of several documents which are interrelated, the certification shall be placed on that document from which the right recorded is immediately derived (Articles 249 and 250).

Article 302

Nothing in the register may be erased, nor in any other manner made illegible, nor may anything be added or altered.

All entries in the register of ships must be made in ink.

If an error has been made in recording, and it is detected at the time, it shall be corrected without an order from the competent agency. An error committed in recording must be marked through so that it remains legible.

An error detected after the entry has been made may be corrected only on order from the competent authority as referred to in Article 240 of this law, which, if the error would have some legal consequence, shall hear the participants. Institution of this proceeding shall be noted on the sheet on which the erroneous entry was made. This notation has the effect that subsequent entries may not prevent correction of the error. When the decision related to correction of the error becomes final, the notation is automatically deleted.

Corrections of erroneous entries must bear the date, the signature of the person keeping the register of ships and the stamp of the agency in which these registers of ships are kept.

Article 303

The decision to delete a vessel from the register of ships and notation of rejection of an application for deletion of a vessel from a register of ships shall be entered on sheet a of the register of ships.

After a decision on deletion of a vessel from the register of ships becomes final or valid, the agency keeping the register of ships shall mark through each page of the entry in the main book of the register of ships with a red ink cross and one horizontal line on each page beneath all of the entries, but the individual entries are not crossed out.

The agency referred to in Paragraph 2 of this article shall proceed in conformity with the provisions of this paragraph after the decision rejecting an application or notice for first registration of a vessel in the register of ships (Article 288, Paragraph 1) becomes final or valid.

Article 304

After registration has been made, the agency keeping the register of ships shall return to the party the originals of the documents or certified copies of documents if an uncertified copy of those documents was appended to the notice or application. Otherwise, the originals of the documents or their certified copies shall be kept in the file of documents, and that agency shall notify the party that he may obtain those documents within a specified period if he submits certified copies. The agency may itself make such copies upon collection of the prescribed fees.

If the agency referred to in Paragraph 1 of this article makes a registration on the basis of a court decision, it shall handle the documents in accordance with that decision (Article 296).

With respect to copies necessary for the file of documents, procedure shall be in conformity with Paragraph 1 of this article.

b) Special Provisions

First Registration in the Register of Ships

Article 305

First registration in the register of vessels under construction shall be allowed by the court if the following documents are appended to the notice or application for first registration:

- 1) a document proving the right of possession of the vessel or right of ownership of the vessel under construction;
- 2) an affidavit from the shipyard concerning the technical characteristics which are entered on sheet a of the register of vessels under construction and concerning the place and commencement of construction;
- 3) statement from the holder of the right of possession of the ship or owner of the ship under construction as to the name of the ship under construction or, if the ship does not have a name, a statement from the shipyard concerning the numbers of the ship under construction.

Article 306

The first registration of a ship in the register of ships shall be allowed by the court if the notice for first registration of the ship is accompanied by the following documents:

- 1) a document proving the right of possession of the ship or right of ownership of the ship;

- 2) an abstract from the court register or other document proving the identity of the holder of right of possession of the ship, or if the ship is privately owned--a document proving that the owner is a Yugoslav national or Yugoslav civil legal person or that the conditions for registration of the vessel in the register of ships have been met;
- 3) a decision assigning name or numbers to the vessel and designating the vessel's home port;
- 4) admeasurement certificate;
- 5) seaworthiness certificate for purposes of its registration in the register of ships issued by Jugoregistar;
- 6) a document assigning the call sign of a maritime vessel in conformity with the International Code of Signals, if the vessel is required to have such call sign;
- 7) documents proving other data which are entered on sheet a of the register of ships;
- 8) certification from the agency keeping a foreign register of ships that the vessel has been deleted from that register, if that vessel is being transferred from a foreign register to a Yugoslav register of ships.

A first registration of an inland vessel which has been entered in a foreign register of ships shall be made as a conditional registration in the Yugoslav register of inland ships, the registration becoming unconditional when the applicant for first registration of that vessel submits proof that the vessel has been deleted from the foreign register of inland ships in which it was registered. The agency making the registration may pursuant to the provision of this paragraph communicate directly with the foreign agency which keeps the register of inland ships in which the vessel was registered.

If a shipowner is a foreign national or foreign legal person, the notice must be accompanied by documents proving the right to have the ship registered in the Yugoslav register of ships and data stated in the documents referred to in Paragraph 1 of this article.

Recording

Article 307

Unless otherwise provided for in this or other federal law, recording (Article 243, Point 3) may be allowed only on the basis of public documents or private documents on which the signatures of persons whose right is to be limited, burdened, extinguished or transferred to another person have been certified by the agency in the republic or autonomous province competent for certification of signatures.

Recording on the basis of a private document issued by an authorized person is allowed against the person granting that power of attorney only if the power of attorney that person issued is specifically drafted to cover a specific transaction or specific type of transaction and further provided that not more than 1 year has passed from the date of issuance of the power of attorney to the date when recording is applied for.

Certification of signatures on a private document is not required if approval of the agency competent for protection of rights and interests of the person whose right is to be limited, burdened, extinguished or transferred to another person is on the document.

Article 308

A private document on the basis of which recording may be allowed must contain the following in addition to the data referred to in Article 266 of this law:

- 1) precise identification of the ship and indication of the right with respect to which the recording is being made;
- 2) an explicit statement from the person whose right is being limited, burdened, extinguished or transferred to another person that he allows the recording.

The provision of Point 2 of Paragraph 1 of this article does not apply to documents concerning acquisition of the right of possession of a vessel or the right of ownership of a foreign vessel if first registration of a ship in the Yugoslav register of ships is being applied for.

Article 309

The public documents on the basis of which recording is allowed are the following:

- 1) documents concerning legal transactions drawn up by a court within the limits of its powers, if they contain the data prescribed in Article 266 of this law;
- 2) documents which have been issued in the prescribed form by courts or administrative agencies within the limits of their jurisdiction and which the law grants the status of executive judicial documents or on the basis of which an entry can be made in public books according to the specific regulations concerning them.

Entries based on the decision of a foreign court may be made if that decision has been recognized in a special proceeding (Articles 16 through 20 of the Introductory Law to the Law on Procedure in Civil Actions).

Provisional Registration

Article 310

When the document filed meets the general conditions for registration, but does not meet all the special conditions for recording prescribed in Articles 307 through 309 of this law, the court shall allow provisional registration (Article 243, Point 4).

Article 311

Provisional registration of a contract lien is allowed only if the claims and legal basis of the contract lien appear probable.

Article 312

When a vessel which has been registered in a foreign register of ships is being registered in a Yugoslav register of ships, and it is evident from the document concerning deletion of the vessel from the foreign register of ships that the vessel is burdened by a contract lien (Article 215), provisional registration of the contract lien shall automatically be recorded with the order of priority it has on the basis of the moment of time taken for determination of its order of priority in the foreign register of ships if at the moment of registration the conditions for recording of the contract lien as set forth in this law have not been met.

Article 313

Provisional registration of a demise charter, time charter or right of first refusal is allowed only if the existence of the right and consent to the registration appear probable.

Article 314

Provisional registration shall also be allowed on the basis of the following documents:

- 1) court decisions accepting or rejecting an application for establishment, acquisition, limitation or cessation of a registered right which have not yet become final;
- 2) court decisions whereby provisional registration is allowed in a proceeding concerning enforcement of a claim in accordance with the regulations concerning executive procedure;
- 3) the petition of a court, administrative agency or organization in the exercise of public authority vested in it by law when they are legally authorized to automatically order that certain claims be secured by a contract lien.

Article 315

If the amount of a debt secured by a contract lien is deposited with the court, and if under the rules of law of property law there is no good reason why the creditor may not be paid the debt, the provisional registration shall be allowed on the basis of the court's confirmation that that amount has been deposited, as follows:

- 1) if the amount of the debt has been deposited with the court by the debtor or person liable for the debt, provisional registration of deletion of the contract lien shall be allowed;
- 2) if the amount of the debt has been deposited with the court by a third party to whom under the rules of law of property law the creditor must assign his claim, provisional registration of relinquishment of the claim secured by the contract lien shall be allowed.

Article 316

The rights covered by a provisional registration shall be acquired, transferred, limited or extinguished provided the provisional registration ultimately is justified or to the extent in which it is justified.

Article 317

Provisional registration may be justified on the basis of the following documents:

- 1) a document which may serve as the basis for allowing recording and which has been issued by the person against whom provisional registration has been entered;
- 2) confirmation that a court decision referred to in Article 314, Point 1, of this law has become valid and capable of execution;
- 3) final decisions of a competent agency concerning the existence of the claim referred to in Article 314, Point 3, of this law the securing of which is the subject matter of the provisional registration;
- 4) valid court decisions capable of execution in a civil action against the person against whom the provisional registration is entered.

Article 318

If the provisional registration is justified by the filing of a document which may be the basis for recording (Article 317, Point 1), justification should be made within 15 days from the date when the decision concerning provisional registration was delivered.

If provisional registration is justified on the basis of a valid court decision capable of execution (Article 317, Point 4), the civil suit must be instituted within 15 days from the date of delivery of the decision concerning provisional registration.

The time within which provisional registration must be justified shall be stated in the decision concerning provisional registration.

The time within which provisional registration must be justified may be extended by the court at the party's request if there is good cause. The request shall be filed with the agency keeping the register of ships.

Article 319

If a provisional registration is being justified by the filing of the documents referred to in Article 317, Points 1 through 3, of this law, the application for justification of the provisional registration shall be filed with the agency keeping the register of ships.

If the provisional registration is being justified by the decision of a court in a civil action (Article 317, Point 4), the applicant for provisional registration must initiate the civil action with the competent court and so inform the agency keeping the register of ships.

Article 320

The period within which the civil action to justify the provisional registration must be initiated shall be stated in the decision concerning provisional registration.

The period for initiation of civil action may be extended by the court on the party's petition if there is an important reason.

Article 321

If at the time of filing of an application for provisional registration a civil action is already pending concerning existence of the right whose provisional registration is being applied for, it is not necessary to institute a special civil action to justify the provisional registration if under the provisions of the Law on Procedure in Civil Actions a motion to justify the provisional registration may also be made in the pending civil action.

Article 322

If a provisional registration is left unjustified, the person against whom the provisional registration was allowed may petition for its deletion.

If it is not evident from the record that a plea to justify the provisional registration has been filed on time or that the period for justification is still running on the day when the petition for deletion is filed, the court shall in short order appoint a date by which the proponent of the provisional registration must prove that the period for justification is still running or that a plea has been filed on time.

If the court finds that the period has expired or that a civil action has not been instituted on time, it shall allow deletion of the provisional registration.

It shall be assumed that the plea to justify the provisional registration has been filed on time, even though the period specified for its filing has expired, if it is filed before the filing of a plea for deletion of the provisional registration or at least on the same day when that plea was filed.

Article 323

If the plaintiff's petition to justify the provisional registration is accepted in the civil action whereby the provisional registration is justified (Articles 318 and 321), upon the application of any of the parties the justification of the provisional registration shall be noted in the register of ships according to the content of the valid judgment.

If in the civil action referred to in Paragraph 1 of this article the petition to justify the provisional registration is rejected and that decision becomes final, the provisional registration shall be deleted upon the application of any of the parties.

Article 324

If a provisional registration is deleted because a plea to justify the provisional registration has not been filed on time, a new provisional registration may be applied for, but it has legal effect only from the moment when the new application is filed.

The holder of the right of possession of the ship or shipowner or attorney with respect to the registered right may file a plea that the nonexistence of the provisionally registered right be established. A judgment honoring such a plea shall be noted on application of the party in the register of ships, thereby blocking provisional registration from being allowed again.

Article 325

Should the provisional registration be deleted on other grounds than the grounds cited in Article 324 of this law, the court shall automatically reject any new application for provisional registration of the same right on the basis of the same document. Should the court allow this out of oversight and should a new provisional registration be entered, that provisional

registration shall be deleted as soon as the opponent gives notice that the provisional registration has already been deleted once.

Article 326

If the right of possession of a ship or right of ownership has been provisionally registered, subsequent entries may be allowed not only against the recorded holder or shipowner, but also against the provisionally registered holder of the right of possession of the ship or shipowner, but the legal effect of those entries depends on whether the provisional registration is justified or is not justified.

If a provisional registration is justified, at the same time when the justification of the provisional registration is entered, all entries against the registered holder of the right of possession of the ship or shipowner or entries made after the moment when the application was filed which was the basis for provisional registration of the right of possession of the ship or right of ownership shall automatically be deleted.

If provisional registration of the right of possession of a ship or the right of ownership should be deleted, all entries which have been made with respect to that provisional registration shall also be automatically and simultaneously deleted.

The provisions of this article shall also apply when a provisional registration of an assignment of his claim to another person has been made against a contract lien creditor.

Article 327

If the deletion of any right has been provisionally registered, subsequent entries (for example, assignments of liens) may be allowed with respect to that right, but the legal effect of those entries depends on whether the provisional registration of the deletion is justified or unjustified.

If the provisional registration of a deletion is justified, all entries allowed in the meantime with respect to the deleted right shall automatically be deleted simultaneously with entry of the justification.

Article 328

If subrogees' rights still exist on a claim secured by a contract lien at the time when its deletion is applied for, the deletion of that claim may be allowed only when accompanied by the remark that the legal effect of the deletion with respect to subrogees' rights shall ensue only when they are deleted.

As soon as the deletion of the claim secured by a contract lien is recorded, subsequent entries may no longer be allowed against the contract lien; but

if the deletion of a contract lien is only provisionally registered, subsequent entries against that right may be allowed, but only with the legal effect referred to in Article 316 of this law.

Notation

Article 329

Notation of personal relations, especially with respect to limitation of the right of possession of property, has the legal consequence that no one in whose favor any right is recorded in the register of ships can argue that those relations were not known to him (for example, minority, extension of parental right or guardianship, the opening of bankruptcy proceedings, and so on).

Notation of personal relations and deletion of such notation shall be ordered by the court on the basis of the document serving as evidence of those relations, this to be done at the petition of the parties, their legal representatives or the competent authorities.

Article 330

Notation of other facts than those cited in Article 329 of this law may be allowed only when the notation is allowed by law and has an effect defined by law (for example, order of priority, joint contract lien, cancellation of a claim secured by a contract lien, a plea to enforce a legal lien, notation of a dispute, and so on).

Article 331

The holder of the right of possession of a ship or the shipowner may apply for entry of a notation of the order of priority for an intended alienation of the ship or the burdening of the ship by a contract lien. The legal effect of the notation is that the order of priority of rights acquired by that alienation or by the burdening shall run from the moment when applications for entry of the notation are filed if the recording of these rights is applied for during the validity of the notation (Article 333).

A contract lien creditor may apply for entry of notation of order of priority for an intended assignment or intended deletion of his claim with the legal effect referred to in Paragraph 1 of this article.

The notations referred to in this article may be allowed only if from the entries in the register of ships the recording of the right which is to be recorded or the deletion of a recorded right would be allowed and on the condition that the signature of the applicant on the application has been certified by the body in the republic or autonomous province competent to certify signatures.

Article 332

A decision granting an application for entry of a notation referred to in Article 331 of this law shall be issued only in one copy (notice). When the notation is made in the register of ships, the agency keeping the register of ships must confirm on that copy that the notation has been made.

Article 333

If notation of order of priority has been allowed for an intended burdening of a ship by a contract lien, the notation shall cease to have effect at the end of 1 year, and in the other cases cited in Article 331 of this law, it shall cease to have effect when 60 days have passed since the date when it was allowed.

The decision allowing the notation shall state the date when the effect of that notation ceases.

Article 334

An application for entry of a right or entry of a deletion with the order of priority ensured by a notation (Article 331) must be filed within the period specified in Article 318 of this law, and the application must be accompanied by a copy of the decision allowing the notation.

The documents used as the basis for entry or deletion of the right whose order of priority has been secured by a notation may be written even after the application is filed for entry of the notation.

In a decision responding to an application filed under Paragraph 1 of this article which allows recording or provisional registration the court shall state that the entry allowed shall have the order of priority it acquired through the notation. The agency making the entry of the allowed recording or provisional registration shall confirm on the copy of the decision allowing notation of the order of priority that the entry has been made.

An entry with order of priority based on notation shall also be allowed if the vessel or a claim secured by a contract lien has been conveyed or assigned to a third person or has burdened after the application for notation of the order of priority was filed.

If the holder of the right of possession of the vessel or shipowner or contract lien creditor should go into bankruptcy before an application is filed for registration, registration shall be allowed only if the document concerning the legal transaction was drawn up before the date when bankruptcy proceedings were opened and if the date of the document is proven by a certification of the agency in the republic or autonomous province competent for certification of signatures. If the document does not meet those conditions, an assessment shall be made in the context of bankruptcy regulations as to whether registration is allowed.

Article 335

If recording is allowed of the transfer of the right of possession or right of ownership of the vessel or of alienation or release of the vessel or of deletion of a claim with an order of priority acquired by notation (Article 331, Paragraph 1), on petition of the party in whose favor the recording was made the court shall order deletion of entries affecting that ship or claim made after the application for notation was filed. The petition for deletion of those entries must be filed within 15 days from the day when recording with order of priority covered by a notation became valid.

Article 336

If a registration application is not filed before expiration of the period upon whose expiration the notation loses effect (Article 333) or if the amount of the claim concerning which the notation of order of priority was made should not be exhausted by the end of that time, the court shall automatically order deletion of the notation of order of priority.

Deletion of the notation may be allowed before expiration of the period stated in Article 333 of this law only if the application for deletion of the notation has been accompanied by a copy of the decision allowing the notation. When the deletion is entered, the agency keeping the register of ships shall confirm on that copy of the decision that the deletion has been made.

Article 337

The court which has competent jurisdiction under Article 240 of this law shall at the creditor's request allow notation of a judicial cancellation of a claim secured by a contract lien and notation of a libel if the person against whom the cancellation or libel is filed is registered as the holder of the right of possession of the vessel or as the shipowner and if it is proven that the libel has been filed.

A civil court may also allow notation of a libel.

The notation referred to in Paragraph 1 of this article has the consequence that the cancellation or libel is effective against a subsequent holder of the right of possession of the ship or subsequent shipowner, and specifically that on the basis of a valid judgment rendered in a civil action concerning the libel which has been noted or court settlement reached in that civil action executions may be carried out against the vessel covered by the lien directly against any other subsequent holder of the right of possession of the vessel or shipowner.

Article 338

Notation of a libel to enforce a legal lien shall be automatically deleted if within 60 days from the date when the verdict rendered on the basis of the libel which was the subject matter of the notation became final the creditor whose claim is secured by a legal lien does not demand sale of the vessel or registration of a contract lien or if the vessel is not arrested within that period at his demand (Article 233, Paragraph 2).

If the record shows that in the legal period sale of the vessel or registration of a contract lien has been sought or that the vessel has been arrested, the court shall proceed in accordance with Article 322, Paragraphs 2 and 3, of this law.

Article 339

A person who has instituted civil action to contest a recording which he claims has violated his registered rights and who seeks return to the status quo ante in the register may file a motion with the civil court or court with competent jurisdiction under Article 240 of this law for notation of that dispute in the register of ships either simultaneously with the filing of the suit or subsequently.

Notation of the civil action referred to in Paragraph 1 of this article has the consequence that a judgment rendered in that action is also effective against persons who have acquired registered rights after the time when the application for notation of the civil action reached the agency keeping the register of ships.

Article 340

In a civil action instituted by a plea for deletion of a recording against persons who have directly acquired rights by the recording whose deletion is sought by the plea or who have been relieved of a burden thereby, or when the plea is based on relations which exist directly between the plaintiff and respondent, the judgment on expiration of the statute of limitations concerning the plea shall be made on the basis of regulations and rules of law concerning limitation on action in property law.

Article 341

A person desiring to contest a recording against third parties, when the former was properly informed of allowance of that recording, must within the period of time in which an appeal may be filed against allowance of that recording petition the court referred to in Article 240 of this law for entry of notation that the recording is contested, and within 60 days at the latest from the date of expiration of the period for appeal must file a plea for deletion of the recording against all persons who have acquired any registered right by virtue of the contested recording or who

have obtained subsequent recordings or provisional registrations pertaining to such registered right.

After expiration of the period referred to in Paragraph 1 of this article, a plea for deletion may contest recording against third parties who before notation of the dispute acquired subsequent registered rights on the basis of the recorded rights only if those persons did not act in good faith with respect to the validity of the contested recording.

Article 342

If the plaintiff was not duly notified of the allowance of the recording being contested, the right to file a plea for its deletion against third parties who have acquired subsequent registered rights on the registered right in good faith shall lapse at the end of 3 years from the moment when the application for the contested recording reached the agency keeping the register of ships.

Article 343

If a plaintiff withdraws his plea or it is assumed that the plea has been withdrawn by operation of law, or if the plea is rejected by a valid decision or the demand contained in the plea is rejected, or if in the case referred to in Article 341 of this law the plea is not filed within the prescribed period of time, the court shall order deletion of the notation of the dispute on application from the adverse party.

If a demand for deletion of a contested recording has been wholly or partially honored by a valid judgment, or if the parties reach a court settlement concerning deletion of the recording, on the motion of a party the court shall allow entry of the deletion of the contested recording in accordance with the content of the judgment or court settlement, and it shall simultaneously order deletion of the notation of the dispute and of all recordings and provisional registrations concerning the deleted right whose registration was applied for to the agency keeping the register of ships after the application for notation of the dispute reached that agency.

Article 344

A person who maintains that recording occurred as a consequence of a crime may petition the court referred to in Article 240 of this law to allow notation that the recording is contested in order to achieve the legal effect referred to in Article 339 of this law with respect to subsequent registrations. That person must accompany the petition with a statement from the competent agency that criminal proceedings have been instituted.

If notation of a dispute is applied for in order to achieve an effect against third parties as well who have gained registered rights in good faith before the dispute was noted, the application for the notation must

be filed with the court referred to in Article 240 of this law within the period in which the party is authorized to file an appeal against a recording which has been allowed.

Article 345

If the court in criminal proceedings decides that the recording shall be deleted together with registered rights acquired before the notation referred to in Article 344 of this law, the court referred to in Article 240 of this law shall order deletion of the recording under the provisions of Article 343, Paragraph 2, of this law, if the party against whom the disputed recording was made accompanies the application for deletion of the recording by the decision of the court rendered in that criminal proceeding, including confirmation that it has become final.

If the court in criminal proceedings finds the accused criminally responsible, but instructs the injured party to pursue his demand for deletion of the recording in a civil action, the injured party has the right to file a plea for deletion of the recording and of the registered rights referred to in Paragraph 1 of this article within 60 days from the date when the decision of the court referring him to a civil action became final.

If the court in criminal proceedings does not render a decision to the effect that the accused is criminally responsible, and if the authorized person does not file a plea within the period referred to in Paragraph 2 of this article, the court referred to in Article 240 of this law shall allow deletion of the notation of the dispute upon the petition of a person who has a legal interest in having the contested recording remain in effect.

Article 346

When deletion of the notation of a dispute is sought because a plea for deletion has not been filed within the period specified in Articles 341 and 345 of this law, the court referred to in Article 240 of this law shall proceed in accordance with the provisions of Article 322, Paragraphs 2 and 3, of this law.

Article 347

If the holder of the right of possession of the vessel or shipowner or creditor whose vessel or claim is affected by a right which has been registered, files a plea to have that right entirely or partially deleted because the statute of limitations has expired, the court referred to in Article 240 of this law shall allow notation of the dispute in the register of ships on petition of the plaintiff.

Article 348

If a civil action is instituted to establish that a particular real right has been acquired by occupancy, the court in Article 240 of this law shall allow notation of the dispute in the register of ships on petition of the plaintiff.

Article 349

Notation of a dispute when a plea has been filed for deletion because of expiration of the statute of limitations (Article 347) or to establish the acquisition of a real right because of occupancy (Article 348), there is no effect against third parties who have obtained certain recordings by placing confidence in the register of ships before the application for notation of the dispute reached the agency keeping the register of ships. If it is established by a valid decision that the plaintiff has acquired a certain real right by occupancy, the right acquired by occupancy has an order of priority ahead of all entries made after notation was made of the dispute, and all rights recorded after notation of the dispute which are in contradiction with this shall be deleted upon petition of the party.

The provisions of Article 343, Paragraph 2, of this law shall be appropriately applied in the deletion procedure.

Article 350

A court which has sold a vessel shall automatically order that the judgment against the ship which has been sold be recorded in the register of ships.

The notation referred to in Paragraph 1 of this article has the effect that rights registered against the previous holder of the right of possession of the ship or previous shipowner may be acquired by subsequent entries only if the judgment is overturned by a valid decision.

If the judgment is not contested, or if the appeal of the judgment is rejected by a decision which has become valid, on petition of the interested party all entries made following the notation of that judgment against the previous holder of the right of possession of the vessel or previous shipowner and all subsequent entries made with respect to their rights shall be deleted.

Article 351

Application for entry or deletion of notations which are decided by the court referred to in Article 240 of this law must be filed with the agency keeping the register unless it has been otherwise provided for.

Entry of Joint Contract Lien

Article 352

With respect to joint contract liens (Article 213) which are established by a recording in several different ship entries in the register, one of the entries shall be designated the principal entry, and the others as secondary. The registration application must state which ship entry is to be designated as the main one, and which secondary; if this is not stated in the application, it shall be assumed that the entry given first place in the application must be designated as the main entry.

If application is made for an existing contract lien to be extended to other ship entries as well on the basis of the same claim, the ship entry originally burdened shall be figured as the main entry.

Notation in the main entry shall refer to the secondary entries, and notation in each secondary entry shall refer to the main entry.

Article 353

If a creditor in order to secure his claim seeks registration of a contract lien in a particular entry in the register of ships, he must give notice of the existence of the contract lien which has already been recorded for that claim in any other entry so that notation can be made of the joint contract lien.

A creditor is liable for damage caused by his having failed to give notice of the existence of a contract lien.

If notation of a joint contract lien is not entered, the contract lien debtor may apply for such notation to be made and may demand that the creditor reimburse him for the expenses incurred if that notation was lacking through the creditor's fault.

If the court referred to in Article 240 of this law, when allowing recording or provisional registration of a contract lien, finds that a contract lien has already been registered for the same claim in its register or some other register of ships, it shall automatically order that the entry in which the contract lien has already been recorded shall be the main entry. The court must so inform the agency keeping the register of ships in which the contract lien has already been recorded.

Article 354

An application for entry of a joint contract lien in more than one register of ships kept by different agencies may be filed either simultaneously with all agencies keeping such registers of ships or with only one of those agencies.

If the application for entry of a contract lien is submitted simultaneously to all agencies in whose registers of ships it is to be recorded, the application must state which entry is to be designated the main entry, and which secondary.

If an application for entry of a contract lien is filed with only one agency, the application shall be filed with that agency in which the applicant for registration wishes the main entry to be kept and shall state the order in which the application is to be sent to other agencies.

Article 355

If more than one court as referred to in Article 240 of this law is involved in an original or subsequent entry of a joint contract lien, each of them shall independently rule on the application for recording or provisional registration of the contract lien in the register of ships over which it has jurisdiction. Each of the courts shall deliver its decision to the agency whose register includes the main entry.

An appeal against a decision as referred to in Paragraph 1 of this article shall be filed with the court which rendered that decision.

If a recording or provisional registration entered in any secondary entry is deleted as the result of an appeal, the agency whose register includes the main entry shall be informed of the deletion so that a notation may be made.

Article 356

The order of priority concerning a joint contract lien shall be determined independently for each entry, this to be based on the time when the application for allowance of entry of the joint contract lien reached the particular agency keeping the register in which the contract lien is registered.

Article 357

All applications to change a lien for claims on which a joint contract lien has been entered in several entries shall be filed with the agency keeping the main entry. These applications shall be ruled on according to the status of records in the main entry.

An application filed with another agency than the agency referred to in Paragraph 1 of this article shall be returned to the applicant with the instruction that the application must be filed with the agency keeping the register that contains the main entry.

Article 358

All changes which must be made in a joint contract lien by virtue of transfer, limitation, burdening, deletion or any other manner shall be recorded only in the main entry.

The entry of changes in the main entry has the same legal effect as if it were made in all existing or future secondary entries.

Partial or complete deletion of a joint contract lien which pertains to all vessels or all claims (subrogation) which are the subject of a joint contract lien shall be noted in all secondary entries, and deletion of the joint contract lien pertaining to a particular vessel or particular claim shall be noted only in the secondary entry in which that vessel or claim is entered.

Article 359

If a lien on a vessel or on a claim secured by a contract lien registered in the main entry is deleted, in that entry all subsequent entries made on the joint contract lien shall be deleted and transferred to one of the secondary entries which are in a register kept by the same agency. If a joint contract lien already exists, that entry shall be treated as the main entry.

If there is no secondary entry in registers of ships kept by the same agency, the court with jurisdiction on the basis of the previous main entry shall determine, if this has not been specified by the contract lien creditor, which secondary entry shall in future be treated as the main entry, and it shall automatically send to the agency keeping the register containing the new main entry certified copies of existing entries in the main book and certified copies of documents pertaining to those entries.

The transformation of a secondary entry into a main entry shall be communicated to agencies keeping the registers containing all secondary entries and shall automatically be noted in every other existing secondary entry.

Article 360

Those applications on which the previous agency can no longer decide because the joint contract lien in its register of ships has already been deleted shall be delivered to the agency whose register includes the entry which is now the main entry, and the parties who have filed the application shall be so informed.

The order of priority among the applications referred to in Paragraph 1 of this article shall be determined according to the moment when they reach the agency keeping the register that previously contained the main entry.

Article 361

Only one plea for justification is required to justify a provisional registration whereby a joint contract lien concerning one and the same claim is provisionally registered with different agencies.

The court which has competent jurisdiction under Article 240 of this law with respect to one of the registers in which the provisional registration was allowed shall be competent to rule on the plea for justification of the provisional registration, in addition to the court of general jurisdiction at the place of the contract lien debtor's domicile.

Article 362

In the abstracts from entries which are kept concerning a joint contract lien as secondary entries there shall be a reference to the main entry, with the remark that the changes made in the jointly recorded lien are entered only in the main entry.

A Vessel's Transfer From One Register of Ships to Another Register of Ships

Article 363

The court shall allow transfer of a ship's registration from one register of ships to another register of ships on the basis of a document proving that the vessel has changed its port of recordation and that it will be registered in a court which is located in the jurisdiction of an agency keeping the register of ships in which the vessel is registered.

Deletion of a Vessel From the Register of Ships

Article 364

The court shall render a decision to delete a vessel from the register of ships as follows:

- 1) if it establishes that the vessel has been lost or is assumed to be lost;
- 2) because of alienation of the vessel from social ownership or ownership of a natural or civil legal person to a foreign person;
- 3) because of a joint declaration by the ship's owner and operator withdrawing the owner's consent to registration in the Yugoslav register of ships or a court decision to the effect that such declaration by the shipowner is valid;
- 4) because of a declaration by the holder of the right of possession of the vessel or shipowner that the vessel is being permanently withdrawn from maritime or inland navigation;

5) because the conditions for registration in the register of ships in accordance with the provision of Article 175, Paragraph 1, Point 2, of this law have ceased to exist;

6) because of a decision of the Federal Committee for Transportation and Communications to the effect that the right to registration in the register of ships is being withdrawn from a vessel registered in the register on the basis of Article 175, Paragraph 1, Points 3 and 4.

Article 365

A decision to delete an inland vessel registered in a register of inland ships for purposes of transfer to the register of another country, if such has been envisaged by international treaty, shall be rendered on the basis of an affidavit to the effect that the vessel has already been provisionally recorded in the foreign register of inland ships.

Article 366

The decision to delete a vessel from the register of ships should state, pursuant to Article 195 of this law that deletion is not opposed by holders of statutory liens or that contract lien creditors consent to deletion, unless deletion is being made on the basis of the provisions of Article 179, Paragraph 1, Points 1 and 4, of this law.

The motion filed whereby creditors which have a statutory lien on a vessel oppose entry of deletion of the vessel from the register of ships shall be filed with the agency in whose register of ships the vessel is registered. That agency shall send the motion of objection to the competent court for its decision.

In the case referred to in Paragraph 2 of this article, the vessel's deletion from the register of ships may be ordered only after the decision of the court rejecting the opposition has become final.

Article 367

If a vessel which has been deleted from the register of ships because it was lost or was assumed lost, or because it was permanently withdrawn from navigation, or because it has been proclaimed a prize, that is, war booty taken at sea, is again registered in the register of ships, the court shall render a decision for reregistration of the vessel with all that data and all those registered rights from the register with which it was previously registered and which were in effect at the moment when the ship was deleted, and it shall so inform the holder of the right of possession of the vessel or shipowner and all other persons in whose favor an interest in the vessel has been recorded.

5. Legal Remedies

Article 368

An appeal is permitted against the decision of the court concerning an application for registration in the register of ships.

In the appeal parties may present new facts and propose new evidence only if they pertain to essential violation of the rules of procedure.

The appeal shall be filed with the court which rendered the original decision in a sufficient number of copies for the court and for the parties participating in the proceedings.

Article 369

The period for filing an appeal shall be 30 days when the decision has been delivered within the Socialist Federal Republic of Yugoslavia and 60 days when the decision has been delivered abroad.

Article 370

The court shall reject an appeal which is late or complete or which is not allowed.

If the court in the first instance does not reject the appeal, a copy of the appeal shall be delivered to the parties to whom the decision being contested was delivered.

The court in the first instance may not overturn nor modify its decision.

An appeal filed directly to the court in the second instance shall be sent by that court to the competent court in the first instance, and it shall be regarded that the appeal has been filed on the date when it reached the competent court in the first instance.

Article 371

If an appeal has been filed against a decision allowing a recording or provisional registration or first registration of a vessel in the register of ships, the court shall order notation of the appeal in the register of ships.

Should the appeal be rejected, the court shall order deletion of the notation.

The court shall order notation and deletion of notation referred to in Paragraphs 1 and 2 of this article automatically.

If an appeal has been filed against the decision of the court on an application for first entry in the register of ships, the court must notify the agency keeping the register of ships of the appeal which has been filed so that the procedure referred to in Article 277, Paragraph 2, of this law can be conducted.

Article 372

If the court in the second instance rejects the appeal against a decision rejecting an application for registration, the court in the first instance shall automatically order deletion of the notation of that decision in the register of ships and shall so inform the parties.

Article 373

If the court above modifies the decision of the court below and accepts one of the motions referred to in Article 288 of this law which the court below rejected, the entry allowed shall be made in the register of ships. In that case it shall be taken that the registration was made at the moment when the application for registration was filed.

Article 374

If the court above modifies the decision of the court below which allowed deletion of an entry and rejects a petition for deletion of the entry, the deleted recording or provisional registration shall be restored.

If the court above modifies the decision of the court below which honored one of the petitions referred to in Article 288 of this law, and rejects such petition, the recording or provisional registration shall be deleted.

Article 375

The court below shall deliver the decision of the court above which orders entry in the register of ships to the competent agency for the registration to be made, proceeding in accordance with Article 291 of this law.

Article 376

Review is not allowed in the procedure of registration in the register of ships.

Article 377

With respect to application of the provisions of this part of the law (Articles 187 through 376) the following shall be treated as inland vessels: hydrofoil craft, ferry, dredge, crane and any other floating machine or device of similar nature.

Part Five. The Carrier

1. Carrier's Liability

Article 378

The carrier shall be liable for obligations which arise in connection with the vessel's navigation and use.

Article 379

The following definitions apply under the provisions of this part of the law:

- 1) a claim arising out of death or bodily injury to persons is referred to as a bodily injury claim;
- 2) a claim arising on any other basis than recovery for death and bodily injury is referred to as a property damage claim.

The carrier of a maritime vessel may limit his liability to the amounts given in Article 380 of this law, and the carrier of an inland vessel may limit his liability to the amounts given in Article 381 of this law concerning the following obligations:

- 1) recovery for bodily injury suffered by persons on the vessel as passengers and recovery for property damage to articles on the vessel;
- 2) recovery for bodily injury suffered by persons on land or on water or recovery for property damage to articles located outside the ship, if such injury or damage was caused by a covert or overt act or neglect of persons on board the vessel for whom the carrier is responsible, and of persons for whom the carrier is responsible but not located on the vessel--only if that covert or overt act or neglect of such persons is related to the navigation or handling of the vessel, loading, carriage or unloading of cargo or embarkation, carriage or disembarkation of passengers;
- 3) a claim which has arisen in connection with the ordered movement, raising or destruction of a sunk, grounded or abandoned vessel and of articles on such vessel and for compensation of damage caused by a vessel to a port, port facilities or waterways.

Article 380

The carrier of a maritime vessel may limit his liability for the obligations enumerated in Article 379 of this law to the following amounts:

- 1) to 12,000 dinars per ton of the relevant vessel's tonnage if a single event gave rise only to a property damage claim;

2) to 36,000 dinars per ton of the relevant vessel's tonnage if a single event gave rise only to a bodily injury claim;

3) to 36,000 dinars per ton of the relevant vessel's tonnage if a single event gave rise to bodily injury claims and property damage claims. Of that total the amount of 24,000 dinars per ton is intended exclusively to settle bodily injury claims, and the amount of 12,000 dinars per ton is exclusively intended for settling property damage claims. If the amount intended exclusively to settle bodily injury claims is not sufficient to fully settle such claims, the unpaid remainder of such claims, together with the property damage claims, shall be collected from the amount which is intended for settling property damage claims.

In the context of Paragraph 1 of this article the term "tonnage" refers to a vessel's net registered tonnage plus the space of the engineroom which has been deducted from the vessel's gross registered tonnage in order to determine its net registered tonnage in the case of self-propelled vessels, and it refers to net registered tonnage in the case of other vessels.

Article 381

The carrier of an inland vessel may limit his liability for the obligations enumerated in Article 379 of this law to the following amounts with respect to property damage claims:

1) for a cargo-carrying vessel;

a) to the amount of 700 dinars per ton of the maximum carrying capacity of a nonself-propelled vessel;

b) to the amount of 700 dinars per ton of the maximum carrying capacity of a self-propelled vessel plus the amount of 1,400 dinars per horsepower of the engine for the vessel's propulsion;

2) for a vessel which is not intended for carrying cargo--to the amount of 4,000 dinars per cubic meter of displacement at the vessel's maximum allowable draft;

3) for a tugboat or towboat to the amount of 1,400 dinars for every horsepower of the vessel's propulsion machinery;

4) for hydrofoil craft and service craft to the amount which corresponds to one-third of their value at the moment of the event giving rise to the claim.

When a pushboat or other self-propelled vessel is bound to the vessel which is pushing, the amount of the carrier's limited liability is computed on the basis of the horsepower of propulsion machinery and total tonnage of the maximum carrying capacity of all vessels in the flotilla.

The carrier is liable for bodily injury claims up to triple the amount given in Paragraphs 1 and 2 of this article.

The amounts of limited liability given in Paragraphs 1 and 2 of this article are intended exclusively for settling property damage claims, and the amounts of limited liability which follow from Paragraph 3 of this article are exclusively intended to settle bodily injury claims.

Article 382

The amount of the carrier's limited liability envisaged by the provisions of this law may not be less in the case of maritime vessels than the amounts envisaged for a vessel of 100 tons under Article 380, Paragraph 2, of this law, and for inland vessels less than 290,000 dinars.

Article 383

The amount of the carrier's limited liability shall not include the amount of penalties in the form of interest between the date of the event giving rise to the claim and the date when the limited liability fund is established on the basis of Article 386 of this law.

Article 384

The carrier may not limit his liability for obligations enumerated in Article 379 of this law:

- 1) if the event giving rise to the claim was caused through his personal fault;
- 2) for recovery for death or bodily injury of persons employed by the carrier.

Nor may the carrier of an inland vessel limit his liability for the obligations enumerated in Article 379 of this law with respect to claims of persons traveling as passengers on the basis of a passenger carriage contract.

Article 385

The limitation of liability to the amounts given in Articles 380 and 381 of this law shall apply to the total amount of bodily injury and property damage claims arising out of a single event.

If the claims referred to in Paragraph 1 of this article have arisen from more than one event, the carrier's liability shall be limited with respect to the claims from each event separately.

Article 386

A carrier who wishes to limit his liability must establish a limitation fund.

The limitation fund is the property value which the carrier deposits to meet claims against the amount to which his liability is limited.

The limitation fund is used exclusively to meet claims arising from the event for which it was established.

Establishment of a limitation fund does not signify acknowledgment of liability for the claim for which it was established.

Article 387

Creditors in favor of whose claims the limitation fund is established may make recovery only from that fund.

The claims of creditors are settled from the limitation fund or from that part of it intended for them in proportion to their established amount.

If a carrier is entitled to enforce a claim against one of the creditors because of damage or injury arising out of the same event, their mutual claims shall be canceled, and the creditor shall share in collection from the fund only up to the amount remaining after the cancellation.

Article 388

A carrier who before division of the limitation fund has paid any of the claims enumerated in Article 379 of this law either in its entirety or partially shall take the place of the creditor paid with respect to the fund up to the amount of the amount paid.

Article 389

If temporary measures or executory measures have been taken in connection with a claim referred to in Article 379 of this law, and the carrier moves to limit his liability under this law, on the carrier's motion the court may revoke the temporary measure or stay executory measures or release the security which has been given or other bond if the shipper proves that he has already given security or other bond somewhere in the amount of the limited liability, provided that such security or other bond is available and freely transferable to the creditors.

The provision of Paragraph 1 of this article shall also apply when the security given or other bond falls short of the amount of the carrier's limited liability, but are subsequently supplemented up to the amount of his limited liability.

Security or other bond as referred to in Paragraph 1 of this article must be exclusively confined to meeting all claims as enumerated in Article 379 of this law which arise out of the same event to which the liability being limited pertains.

Article 390

The court must revoke a temporary measure or stay executory measures or release security given or other bond because of security or bond given in Yugoslavia, but should they be given abroad, it shall do so if such release is envisaged by an international treaty.

Article 391

The provisions of Articles 379 through 390 of this law concerning limitation of the carrier's liability shall also apply to holders of the right of disposition of the vessel or shipowner, manager of the ship and charterer.

Article 392

The master, other members of the crew and other persons employed by the carrier, if they are liable for the claims enumerated in Article 379 of this law, may limit their liability under Articles 380 through 390 of this law.

The master and other members of the crew may in the cases referred to in Paragraph 1 of this article restrict their liability even if the event giving rise to the claim was caused by their personal negligence.

If the master or other crew member is the shipowner, co-owner, carrier, manager of the ship or charterer, they may limit their liability in the case of their own personal negligence only if their neglect occurred in performance of their duties as master or crew member of the vessel.

Article 393

The total amount of the limited liability of the carrier and other persons who may limit their liability under this law for claims to which limitation of liability from a single event applies may not exceed the amounts given in Articles 380 and 381 of this law.

Article 394

The provisions of Articles 379 through 393 of this law shall not apply to limitation of liability for obligations arising out of salvage, for contribution in general average damages and for nuclear damage, nor shall they apply to damage caused by discharge of liquid fuels from the vessel unless the provisions of this law explicitly so state.

Article 395

The provisions of Articles 379 through 423 of this law shall also apply to boats or small craft.

Article 396

The provisions of Articles 379 through 423 of this law shall also apply to military vessels as follows:

- 1) in the case of seagoing military vessels whose capacity is defined in displacement, 1 ton as referred to in Articles 380 and 382 of this law shall correspond to 2 tons of displacement;
- 2) for inland military vessels the provisions of Article 381, Paragraph 1, Point 2, of this law shall apply.

2. Limitation Proceedings

Article 397

Limitation proceedings shall be conducted by an individual judge of the court which is competent with respect to subject matter.

Unless this law states otherwise, the provisions of the Law on Procedure in Civil Actions shall be appropriately applied.

If a ship or boat involved in the event concerning which limitation proceedings are being conducted is registered in the Yugoslav register of ships or records of small craft, that court shall have jurisdiction with respect to place in whose jurisdiction is kept the register of ships in which the vessel is registered or the records of small craft in which the boat or small craft is enrolled.

If a ship or boat involved in the event concerning which limitation proceedings are being conducted has foreign nationality, that court shall have jurisdiction as to place in whose jurisdiction the vessel was arrested, and if the vessel was not arrested--the court in whose jurisdiction security has been posted to establish the limitation fund.

An agreement between the parties concerning jurisdiction as to place is not allowed in limitation proceedings.

Article 398

Limitation proceedings shall be instituted on petition of the person who under the provisions of this law is entitled to limit his liability.

The petition for institution of limitation proceedings must include the following along with the general data which are to be provided in any petition or application:

- 1) a description of the event giving rise to the claim for which limitation of liability is being sought;
- 2) the basis and amount of limited liability;
- 3) the manner in which the petitioner is prepared to establish the limitation fund (by paying in cash or by posting other equivalent security);
- 4) a list of the known creditors, including their addresses;
- 5) information on the type and probable amount of the claims of the known creditors.

The petition to institute limitation proceedings when a maritime vessel is concerned must also be accompanied by documents proving the tonnage of the maritime vessel under the provision of Article 380, Paragraph 2, of this law, and in the case of an inland vessel--documents proving carrying capacity, displacement, horsepower and value of the vessel under the provisions of Article 381, Paragraphs 1 and 2, of this law.

Article 399

Should the court find that the conditions prescribed by this law allowing the petitioner to enjoy the privilege of limiting his liability have not been met, it shall render a decision rejecting the petition which has been filed.

Should the court find that the resources of the proposed limitation fund would not be freely disposable for payment to the creditors, it shall dismiss the petition which has been filed.

Article 400

If the court finds that the request presented in a petition to institute limitation proceedings is in conformity with the provisions of this law concerning the conditions for limitation of liability and that the resources of the proposed limitation fund will be freely disposable for payment to the creditors, it shall render a decision approving establishment of the limitation fund.

In the decision referred to in Paragraph 1 of this article the court shall summon the petitioner to present to the court within 15 days evidence that he has placed at the court's free disposition the funds approved for establishment of the limitation fund and that he has posted in advance the stated amount necessary to meet the costs which will arise in the course of and in connection with the proceedings.

If the petitioner does not proceed in accordance with the provision of Paragraph 2 of this article, the court shall render a decision revoking the decision to establish the limitation fund.

In its decision the court shall warn the petitioner of the consequences ensuing should he not proceed in accordance with the provision of Paragraph 3 of this article.

Article 401

The limitation fund is regarded as established on that date when the petitioner submits to the court evidence that he has proceeded in accordance with the provisions of Article 400, Paragraph 2, of this law.

The court must render a decision confirming that the limitation fund has been established within 24 hours from the date of receiving the evidence referred to in Paragraph 1 of this article.

The decision referred to in Paragraph 2 of this article shall be published in SLUZBENI LIST SFRJ, shall be posted on the court's bulletin board, and if necessary shall be made public in some other suitable manner.

The decision shall be delivered to the petitioner and all creditors whose claims are affected by the limitation of liability and whose address is known to the court.

Article 402

The decision affirming establishment of the limitation fund shall contain the following:

- 1) the name of the vessel, its home port and nationality, or the numbers and place of enrollment of a small craft or boat;
- 2) the corporate name or title and address or personal name and residence and nationality of the petitioner;
- 3) the event to which limitation of the carrier's liability applies;
- 4) the amount of the limitation fund and the date of the fund's establishment;
- 5) a summons to the creditors to the effect that within 90 days of the date of publication of the decision in SLUZBENI LIST SFRJ they must make declaration to the court of claims which under the provisions of this law are to be settled from the limitation fund, regardless of whether a civil action is already being conducted with respect to those claims or whether a final decision has been rendered concerning their existence, along with a warning of the consequences of neglect as referred to in Article 412 of this law;

6) the place and time of the hearing for examination of the claims.

Article 403

If executive proceedings or the procedure of enforcing claims which according to the provisions of this law are to be settled from the established limitation fund are being conducted against any person who on the basis of the provisions of this law may limit his liability (Articles 379, 391 and 392) and to whom the established limitation fund pertains at the time when the funds is established, the executive court shall on that person's motion render a decision staying executive proceedings or attachment proceedings and revoke all actions taken in such proceedings.

The party on whose motion the court has stayed executive proceedings or attachment proceedings shall bear its own costs of the proceedings which have been stayed, and at the request of the adverse party it must also reimburse its costs.

Following establishment of the limitation fund, institution of regular executive proceedings or proceedings to enforce claims which under the provisions of this law are to be settled from the established limitation fund may no longer be sought.

Article 404

The declared claims shall be examined in a hearing for examination of claims.

The petitioner and all creditors who have declared their claims up until conclusion of the hearing for examination of claims shall have the right to participate in the hearing as parties.

Absence of parties from the hearing shall not prevent the court from holding the hearing.

In the hearing the court shall call upon the parties present to declare their position concerning the claims which have been declared and concerning the basis of the petitioner's limitation of liability.

Article 405

By declaring a claim, the creditor does not thereby acknowledge the petitioner's right to settle the claim which has been declared from the established limitation fund.

A creditor may not contest the claim of another creditor by stating that it cannot be settled from the established limitation fund because the event giving rise to the claim was caused by the carrier through his personal blame (Article 384, Point 1).

It shall be assumed that a petitioner for establishment of the limitation fund and the creditors acknowledge that a declared claim exists and may be settled from the established limitation fund unless written objection is filed or oral objection is made in the hearing before adjournment of the hearing for examination of claims.

Article 406

If a creditor contends that his claim is not subject to limitation of the petitioner's liability, and the petitioner does not concur with that objection, the court shall render a decision instructing the creditor that within 30 days from the date of delivery of the decision he may file a complaint against the petitioner to establish that his claim is not to be met from the limitation fund.

If within the period referred to in Paragraph 1 of this article the creditor does not proceed according to the court's decision or withdraws a complaint already filed, it shall be assumed that he has renounced his objection to the effect that his claim was not subject to limitation of the petitioner's liability.

Article 407

If a creditor disputes the existence or amount of some other creditor's claim or another creditor's right to obtain recovery from the limitation fund, the court shall render a decision instructing the creditor whose claim has been disputed that within 30 days from date of delivery of the decision he may file a complaint against the petitioner and all creditors who disputed his claim or the amount of that claim in order to establish the existence and amount of his claim or right of recovery from the limitation fund.

If creditors dispute the claim of another creditor which has been established by a final judgment rendered in civil action against the petitioner, the court shall render a decision instructing the creditor or creditors disputing that claim to file a complaint within 30 days to establish that such claim does not exist.

If the creditors whom the court has instructed to undertake civil action do not act on the court's decision within the period referred to in Paragraphs 1 and 2 of this article or withdraws a complaint that has been filed, it shall be assumed that the claim was not declared in the case referred to in Paragraph 1 of this article or that the claim was not disputed in the case referred to in Paragraph 2 of this article.

Article 408

If the petitioner disputes the existence or amount of a creditor's claim, the court shall render a decision instructing the creditor that within 30 days from the date of delivery of the decision he shall file a complaint against the petitioner to establish the existence and amount of his claim.

The petitioner may not dispute a creditor's claim if the existence and amount of that claim have been established by a final judgment in a civil action between the petitioner and creditor or in a civil action conducted under the provision of Article 407, Paragraph 1, of this law.

If a creditor whom the court has instructed to undertake civil action does not proceed in accordance with the decision of the court within the period referred to in Paragraph 1 of this article or withdraws such complaint already filed, it shall be taken as though he never declared the claim.

Article 409

Complaints as referred to in Articles 406, 407 and 408 of this law may pertain only to claims which have been a subject of debate in the hearing for examination of claims.

Final judgments rendered in civil actions as referred to in Articles 406, 407 and 408 of this law shall have legal effect with respect to all parties in limitation proceedings.

Article 410

Only the court whose jurisdiction includes the court conducting limitation proceedings shall be competent with respect to place to try the actions referred to in Articles 406, 407 and 408 of this law.

Article 411

If the petitioner establishes the likelihood that some claim abroad ought to be paid from the limitation fund, on his petition the court may order that the amount necessary to meet that claim in proportion to other declared claims and the limitation fund be set aside to meet that claim.

The petition referred to in Paragraph 1 of this article may be filed before the first hearing for distribution of the established limitation fund is held.

The amount set aside under the provision of Paragraph 1 of this article shall be kept in a separate deposit for 10 years from the date when the decision on final division of the limitation fund becomes final.

Even before the end of the period referred to in Paragraph 3 of this article the court may order that the sum set aside be entirely or partially returned to the general deposit of the limitation fund if it might be concluded from the circumstances that the suppositions on which that amount was set aside no longer obtain (Paragraph 1).

At the end of the period referred to in Paragraph 3 of this article the court shall return the sum set aside to the general deposit of the limitation fund.

Article 412

For purposes of examining claims declared following conclusion of the hearing for examination of claims the court shall schedule a new hearing for examination of claims.

Creditors whose claims are examined in the new hearing under the provision of Paragraph 1 of this article may not dispute claims already acknowledged.

Creditors may declare their claims until the end of the first hearing for division of the limitation fund.

Claims declared after conclusion of the first hearing for division of the limitation fund shall not be established.

Creditors who have declared their claims after expiration of the period referred to in Article 402, Point 5, of this law must reimburse the petitioner and other parties in proceedings, at their request, the expenses of proceedings caused by the subsequent filing of the claim. The court may call upon such creditors to deposit an amount necessary to meet such costs within a specified period of time.

Article 413

After proceedings have been conducted to examine the claims which have been declared, the court shall establish in its decision which claims are acknowledged and in what amount, taking into account written motions of the parties as well.

Article 414

The limitation fund shall be divided after the decision rendered under Article 413 of this law has become final.

On a creditor's petition the court may also make a temporary partial division of the limitation fund for preliminary payment of established claims if the creditor so petitioning establishes the likelihood that the civil action referred to in Articles 406, 407 or 408 of this law will not be completed within 6 months.

The division of the fund referred to in Paragraph 2 of this article shall encompass that portion of the limitation fund which remains after funds have been set aside from the entire fund for possible settlement of claims which are still in dispute, in an amount to cover the settlement of those claims if their existence is established in the amount in which they have been declared.

The division of the resources of the limitation fund allocated under the provisions of Article 411, Paragraphs 1, 2 and 3, of this law shall be conducted after valid completion of proceedings to examine the disputed claims

to which the sums set aside pertain, taking into account the division already made under the provisions of Paragraphs 1, 2 and 3 of this law.

Article 415

The court shall prepare a draft version of the division for purposes of dividing the limitation fund.

After the draft version of the division of the limitation fund has been prepared, the court shall schedule a hearing for debate of that draft version to which it shall summon the petitioner and creditors whose claims have been established and which are to be settled from the limitation fund, as well as creditors whose claims are in dispute.

A copy of the draft version of the division shall also be delivered to the parties along with the summons to the hearing.

Article 416

If preparation of the draft version of division of the limitation fund requires the services of a specialist, and the court does not have such specialists, the court may hire a special expert from outside the court to make the preparations for the drafting of the proposed division.

The provisions of the Law on Procedure in Civil Actions which pertain to experts shall apply to the specialists referred to in Paragraph 1 of this article.

Article 417

The petitioner and creditors referred to in Article 415 of this law shall have the right to participate in the hearing as parties.

The absence of parties from the hearing shall not prevent the court from holding the hearing.

In the hearing the court shall call upon the parties present to state their positions concerning the draft version of division of the limitation fund and to make their objections to the draft.

The court shall render its decision on division of the limitation fund on the basis of the result of proceedings, also taking into account the written petitions of the parties.

Article 418

Within 3 days from the date when the decision on division of the limitation fund against which a legal remedy has been lodged becomes valid, or from the date when the court above delivered its valid decision to the court

below, the court is required to issue an order for payment of claims to creditors to whom the decision on division applies.

Article 419

Declaration of a claim in limitation proceedings has the same effect with respect to halting the running of the statute of limitations as the filing of a complaint in civil procedure.

With respect to claims which are in dispute in the proceedings of examination of claims, it shall be assumed that the statute of limitations ceases to run on the date when the claim is declared up until the end of the period for filing a complaint under the provisions of Articles 407 and 408 of this law or up until the date when the judgment establishing that the creditor's claim is not to be paid from the limitation fund becomes final.

The period of the statute of limitations concerning claims which on the basis of the decision concerning division of the limitation fund are to be paid from the fund begins to run once again when the decision on division becomes final.

Article 420

On behalf of creditors whose claims it has not been able to pay even at the end of 6 months from the date of issuance of the order for payment (Article 418) the court shall establish a special deposit from the resources of the limitation fund under the rules that apply to establishment of a judicial deposit.

Article 421

In limitation proceedings each party shall pay its own expenses unless otherwise provided for in this law.

Article 422

The period for appeal against decisions rendered in limitation proceedings is 8 days from the date of delivery of the decision.

Article 423

In limitation proceedings the parties and the public prosecutor may declare against a decision of the court bringing proceedings before the court to a valid conclusion all legal remedies which can be exercised against judgments rendered in civil proceedings.

Part Six. Contracts

Chapter I. The Shipbuilding Contract

Article 424

The shipbuilding contract and amendments and supplements to that contract must be drawn up in writing.

The shipbuilding contract and its amendments and supplements drawn up contrary to the provision of Paragraph 1 of this article shall have no legal effect.

Article 425

Unless the shipbuilding contract provides otherwise, it shall be assumed that the vessel under construction belongs to the shipbuilder.

Article 426

The shipbuilder is required to do the construction in accordance with the shipbuilding contract and the rules of the art and in a manner so that the vessel may be issued seaworthiness papers as envisaged by this law, as well as other papers envisaged by the shipbuilding contract.

If after completion of construction a vessel is registered in a foreign register of ships, the shipbuilder is required to do the construction according to the shipbuilding contract and the rules of the art and in a manner so that the vessel may be issued the papers envisaged by the shipbuilding contract.

Article 427

The customer has the right of supervision over performance of the ship's construction, and to that end he may designate one or more inspectors of construction. The customer must inform the shipbuilder in writing of the appointment and replacement of inspectors of construction.

The customer shall pay expenses related to the work of the inspectors of construction.

The shipbuilder is required to make it possible for the inspectors of construction to exercise supervision in the course of construction.

If an inspector of construction finds that the performance of certain work does not conform to the provisions of Article 426 of this law, he is required to immediately submit written objections to the shipbuilder.

If the shipbuilder does not honor the objections of the inspector of construction, he must immediately notify the customer to that effect in writing and invoke the procedure envisaged in the contract for such a case.

If the contract has made no provision concerning the procedure referred to in Article 5 of this article or if the parties do not accept the results of the procedure referred to in that paragraph, the dispute shall be resolved by a court.

The provisions of Paragraphs 1 through 5 of this article do not affect the right and duty of Jugoregistar to exercise supervision over construction of a vessel on the basis of the provisions of this law concerning establishment of seaworthiness.

Article 428

In the manufacture and procurement of parts or appurtenances of the vessel which the shipbuilder has ordered or obtained from persons whom the customer has designated, the shipbuilder shall be responsible for defects in work done or parts or appurtenances obtained unless he proves that he was unable to detect those defects through the exercise of due care.

Article 429

The shipbuilder shall not be responsible for defects in construction of the vessel if he proves that they occurred because in performance of the particular operation he acted on the request of the customer and warned him of the possibility that harmful consequences would occur when he could foresee such through use of due care.

When the customer supplies material for construction of the vessel, the shipbuilder must examine that material; should he find defects, he must so inform the customer without delay.

If the shipbuilder does not act in accordance with the provision of Paragraph 2 of this article, he shall be responsible for the harmful consequences that occur because of a defect in the material.

The shipbuilder shall not be responsible under Paragraph 3 of this article if the customer, in the place of a warning that the material has defects, has demanded that the shipbuilder build that material into the ship.

Unless the shipbuilder is at the same time the designer, the shipbuilder shall be responsible for those defects in construction of the vessel which he did in accordance with the design, but which he could have detected through use of due care.

The shipbuilder shall not be responsible under Paragraph 5 of this article if the customer, in the face of a warning, has demanded that the work be done according to the design.

If construction of a Yugoslav vessel is involved, the shipbuilder is required to notify Jugoregistar that the customer, in the face of his warning, has demanded that particular work be done contrary to the technical rules of construction and the rules of the art, that material be built into the ship which has defects, or that work be done in accordance with the design even though performance of the work in that manner would cause defects in construction.

Article 430

When the costs of building the vessel, after the contract has been concluded, have increased exceptionally because of unforeseen circumstances, the shipbuilder may demand an increase in the contract price for construction of the vessel commensurate to the actual rise of prices.

The provision of Paragraph 1 of this article shall not apply to prices which have risen during the period when the shipbuilder through his own fault was late in completing construction of the vessel.

Article 431

The shipbuilder is required to correct the defects for which he is responsible under the provisions of Articles 426, 427 and 429 of this law within a reasonable period of time and at his own expense and risk.

If the defects cannot be corrected, the customer may demand a corresponding reduction of price.

If a defect which cannot be corrected is an essential one, the customer has the right to dissolve the contract.

The provisions of Paragraphs 1 through 3 of this article shall not affect the customer's right to recover damages.

The fact that during construction of the vessel the customer did not object to a design made by the shipbuilder, to the material used, nor to the manner in which the work was done shall not release the shipbuilder from the obligations contained in Paragraphs 1 through 4 of this article.

Article 432

The shipbuilder shall be responsible for concealed defects which are discovered during 1 year counted from the date the vessel is turned over to the customer, provided that the customer informs him in writing of those defects as soon as he detects them.

Article 433

The shipbuilder's obligations referred to in Article 432 of this law shall expire at the end of 1 year counted from the day when the shipbuilder was informed of the vessel's defects on the basis of Article 432 of this law.

Article 434

The provisions of Article 424, Paragraph 1, through Article 433 of this law shall also be appropriately applied to a ship repair contract or ship rebuilding contract.

Article 435

Provisions in a shipbuilding contract which have been concluded contrary to the provisions of Article 427, Paragraph 7, and Article 433 of this law shall be null and void.

Chapter II. Contract Concerning the Use of Vessels

1. General Provisions

Article 436

Contracts on the use of vessels are the following: shipping contracts and charter parties.

Article 437

Shipping contracts are as follows: the contract to carry cargo by sea or on inland waters, the contract to carry a passenger by sea or on inland waters, the contract concerning towage by sea or on inland waters, and contracts pertaining to other shipping transactions.

Article 438

The provisions of this law pertaining to the various shipping contracts shall also be appropriately applied to other contracts concerning shipping transactions unless this law states otherwise.

Article 439

The expressions used in this chapter of the law shall have the following meanings:

1) the shipper is the party to the contract who orders from the carrier the carriage of cargo or persons, towage of a vessel or performance of some other shipping transaction;

- 2) the consignor is the shipper or person designated by him who delivers the goods to the carrier for carriage on the basis of the freight carriage contract;
- 3) the consignee is the person authorized to receive the goods from the carrier;
- 4) the carriage user is a person who has certain rights against the carrier under the freight carriage contract (shipper, consignor, consignee);
- 5) lay days are the ordinary time designated for the loading or discharge of cargo;
- 6) days on demurrage are the time beyond lay days which loading or unloading of cargo is to be extended.

Article 440

Unless otherwise provided for in this chapter of the law, the provisions of this chapter of the law pertaining to inland navigation shall apply to contracts on use of vessels which are performed or while they are being performed in the area of inland navigation, but also in the area of maritime navigation to which inland vessels regularly sail if performance of the contract being performed in inland navigation only commences or ends in that area.

Article 441

The provisions of this chapter of the law (Articles 436 through 679) shall also apply to the following:

- 1) military vessels;
- 2) boats or small craft.

As an exception to the provision of Point 1 of Paragraph 1 of this article, the following shall not apply to contracts concerning use of military vessels:

- 1) the provisions concerning the time charter party (Articles 445, 446, 587 and 589, and those provisions of Articles 443 and 444 which pertain to the time charter party);
- 2) the provisions concerning the shipper's right to conclude a freight carriage contract (Articles 447 and 448) with a third party;
- 3) the provisions concerning the carriage of passengers and baggage (Articles 604 through 639), except those provisions which pertain to the carrier's liability for death and bodily injury of passengers (Articles 618

and 626 and those provisions of Articles 619, 620, 621, 625, 630, 631, 633, 634 and 637 and 638 which pertain to that liability) and the provisions of Article 616 of this law;

4) the provisions concerning the demise charter (Articles 664 through 678);

5) the provisions of Articles 457 and 582 of this law.

2. Shipping Contracts

a) Carriage of Goods

General Provisions on the Carriage of Goods

Article 442

In the cargo-carriage contract the shipper commits himself to carry the goods by ship, and the shipper commits himself to pay the freight.

Article 443

The cargo-carriage contract may call for the goods to be carried by an entire vessel, some proportion of the vessel or a specified space (charter party), or it may call for the carriage of specified goods (bill of lading).

The charter party may be concluded for one or more voyages (voyage charter) or for a specified time (time charter).

Article 444

The charter party covering more than one voyage or the time charter must be drawn up in writing.

Charter parties as referred to in Paragraph 1 of this article shall be null and void if they have not been drawn up in writing.

Each party to a cargo-carriage contract not covered by Paragraph 1 of this article has the right to demand that a written document be drawn up concerning the contract that has been concluded concerning the carriage of goods.

If the party asked to draw up the written document does not fulfill that request, the other party has the right to withdraw from the contract unless he has begun to perform the contract.

The provision of Paragraph 4 of this article shall not affect the right to recover damages of the party who demanded that the written document be drawn up.

Article 445

Under a time charter for the whole vessel the master of the vessel must carry out the charterer's orders within the limits of the charter party and in accordance with the vessel's purpose.

Under a time charter for the whole vessel the carrier shall not be liable to the charterer for the obligations which the master of the vessel has undertaken in carrying out the express orders of the charterer.

Article 446

Under a time charter for the whole vessel the charterer may not order a voyage which would expose the vessel or its crew to a danger which could not have been foreseen at the time when the charter party was concluded, nor a voyage which cannot be expected to be performed without considerably overrunning the time for which the charter party was concluded.

Article 447

A maritime charterer may contract with a third party to carry goods in the chartered vessel.

For obligations which arise out of the contract concluded under the provision of Paragraph 1 of this article the carrier shall also be liable toward third parties in accordance with the regulations whose application cannot be excluded by agreement among the parties and under the conditions which are customary for that type of carriage.

If in the case referred to in Paragraph 2 of this article the carrier's obligations are augmented, the charterer shall be liable to the carrier for those increased obligations.

If the third party with whom the contract referred to in Paragraph 1 of this article has been concluded was aware of the charter party, the carrier shall be liable to that person only within the limits of the charter party and legal regulations whose application cannot be excluded by agreement among the parties.

Article 448

A charterer in inland navigation may conclude the contract referred to in Article 447, Paragraph 1, of this law only if the charter party so provides.

Under a time charter for the whole vessel the charterer referred to in Paragraph 1 of this article may conclude the contract referred to in Article 447, Paragraph 1, of this law unless the time charter for the whole vessel excludes that possibility.

For obligations arising out of the contract concluded under the provisions of Paragraphs 1 and 2 of this article the carrier shall be liable to third parties only within the limits of the charter party and legal regulations which cannot be excluded by agreement among the parties.

Article 449

A shipper who has authorized another person as consignor to deliver cargo to the carrier for shipment shall be liable to the carrier for the acts and omissions of the consignor within the limits of the carriage contract.

Article 450

The cargo-carriage contract shall cease to be valid when its performance has been made permanently impossible by the effect of a force majeure.

If because of the effect of a force majeure the performance of a cargo-carriage contract has been prevented for a prolonged period or if it is unknown how long that effect will last, each party shall have the right to withdraw from the contract.

In the case referred to in Paragraph 2 of this article a party who is not to blame for the obstacle may withdraw from the contract if the obstacle has persisted an excessive time or if it is assumed that it will last an excessive time.

Each party shall also have the right to withdraw from the contract when the safety of the vessel, crew or cargo might be jeopardized by the effect of a force majeure or other circumstances which cannot be corrected or prevented and which could not have been foreseen at the time when the contract was concluded, and which might necessarily last a long time or if it is unknown how long they will last.

Article 451

In the case of termination of a contract's validity or withdrawal from a cargo-carriage contract under Article 450 of this law, the carrier has the right to recover costs of discharge; but if the reason for termination of the contract's validity or withdrawal from the contract occurred after the vessel's departure from the port of loading, the carrier shall also have the right to recover freight in proportion to the part of the voyage effectively accomplished.

Aside from the carrier's right to reimbursement under the provision of Paragraph 1 of this article, the parties to the contract shall have no right one to the other to any other compensation whatsoever.

Article 452

If performance of a cargo-carriage contract has been prevented for only a brief time, the parties to the contract are not entitled to withdraw from the contract.

Article 453

Under a charter of a whole vessel in maritime shipping the charterer may withdraw from the charter until loading is completed or until the end of stipulated days on demurrage if loading has not been completed by that time, provided he pays half of the agreed freight, the demurrage incurred and other expenses which the carrier has had and which have not been computed into the freight.

The provision of Paragraph 1 of this article shall also apply to a contract of carriage concerning a proportion of a vessel, a specified space of the vessel or carriage of specified goods if all shippers withdraw from the contract.

In the cases referred to in Paragraphs 1 and 2 of this article the shipper or shippers may withdraw from the contract even after completion of loading or expiration of days on demurrage, or even during the voyage, if they pay the entire contracted freight, demurrage and other expenses which the carrier has had and which have not been computed into the freight.

In a contract for carriage in a portion of a vessel, a particular space of the vessel or carriage of specified articles, any shipper may withdraw from the contract before commencement of loading if he pays the entire freight contracted for, demurrage and other expenses which the carrier has had and which are not included in the freight.

Article 454

Under a contract of carriage of goods in inland navigation every shipper may withdraw from a contract before commencement of loading if he pays the entire freight, demurrage and other expenses which the carrier has had and which are not included in the freight.

Article 455

Every shipper may withdraw from a contract in the case described in Article 453, Paragraph 4, and in Article 454 of this law even after loading has begun, if he discharges the obligations specified in the provisions of those articles, provided only that the cargo may be discharged without danger to the safety of the vessel and other cargo, that no great delay in the vessel's departure will occur because of unloading and no disruption of the shipping schedule, that this does not inflict damage on other shippers, and that there are no other important reasons arguing against unloading.

If for the reasons enumerated in Paragraph 1 of this article the carrier does not grant a release from the contract, he is required to so inform the shipper immediately.

Article 456

In cases of withdrawal from a contract when a bill of lading has been issued, the shipper may withdraw from the contract if he returns to the carrier all copies of the bill of lading or gives him security for the damages which the carrier could suffer because all copies of the bill of lading have not been returned to him.

If in cases of withdrawal from a contract the consignor has been issued a copy of the bill of lading, the shipper may withdraw from the contract if he returns to the carrier the copy of the bill of lading received or posts security for the damages which might occur because the shipper has not been returned the copy of the bill of lading.

The Vessel

Article 457

The carrier is required to transport the cargo by the vessel explicitly stipulated or one which has the stipulated characteristics.

If the parties have not explicitly stipulated in the contract a particular vessel or the characteristics of the vessel as referred to in Paragraph 1 of this article, the carrier is required to transport the cargo in a vessel which has the customary characteristics for performance of the carriage contracted for.

Article 458

The carrier of a maritime vessel must equip the vessel for navigation in good time, before commencement of the voyage, with the attention of a diligent mariner, to fit it out appropriately, to man it with a crew, to furnish it the necessary stores and to prepare it so that it may load, stow, preserve, carry and discharge the cargo in the condition in which it received it for carriage.

The inland carrier is required to display the attention of a diligent mariner as referred to in Paragraph 1 of this article throughout the entire voyage.

The carrier is required to prove that he has taken due care as described in Paragraphs 1 and 2 of this article.

The provisions of a contract contrary to the provisions of Articles 1 through 3 of this article shall be null and void.

Article 459

Ship space ordinarily not used for cargo may be used for that purpose only on the basis of an explicit agreement among the parties to the contract provided such agreement is not contrary to regulations.

Article 460

The carrier may replace the vessel stipulated with another vessel with the shipper's consent.

If carriage is being performed on the basis of a charter or by a nonself-propelled cargo vessel in a flotilla (towbarge or pushbarge), the shipper's consent is not required for substitution of the vessel or barge.

Article 461

The carrier is responsible for the accuracy of the data on the vessel's carrying capacity as given in the charter party if the discrepancy is greater than 5 percent.

Article 462

If the whole ship or a specified cargo space has been chartered and the chartered space has not been completely filled the carrier may not dispose of that space without the charterer's consent.

Loading of Cargo

Article 463

The carrier is required to berth the vessel for loading of cargo in the stipulated port.

Article 464

If for reasons beyond the shipper's control the vessel is unable to reach the stipulated port, the shipper has the right, pursuant to the purpose of the contract, to designate the first suitable port for the loading of the cargo which the vessel can safely reach for loading.

Article 465

The shipper is required to provide the berth for loading in the port.

In line shipping the carrier furnishes the berth in the port for loading.

Article 466

The carrier is required to place the ship in the berth for loading designated by the shipper under Article 465 of this law if he can do so without danger to the vessel and if the cargo can be loaded in that berth without danger to the vessel.

If the berth does not meet the conditions referred to in Paragraph 1 of this article, the carrier must berth the vessel as close as possible to that place if this can be done without danger to the vessel and if the cargo can be loaded at the place where the vessel is berthed without danger to the vessel.

Article 467

A vessel may receive cargo while standing at anchor if such is provided by contract or local custom, and it must receive cargo while standing at anchor if the loading of cargo while standing at anchor is ordered by the competent authority of the port.

Article 468

If the shipper or other person has the right on the basis of the contract to designate the port of loading, and the master of the vessel does not receive such order within the time stipulated or a reasonable time, or if the order received cannot be carried out, the master must proceed in the manner he deems best, including among his considerations the interests of the users of carriage.

Article 469

If by contract the vessel is to reach a particular port by a certain date, it shall be assumed that it has arrived on time when it reaches the port or its anchorage.

Article 470

The master of the vessel must inform the consignor in writing that the vessel is prepared for loading (notice of readiness).

The notice of readiness shall be delivered to the consignor at his address during working hours.

If the master does not know the consignor's address or if the notice of readiness cannot be delivered at his address, the master must make known the notice of the vessel's readiness according to local custom.

Article 471

A notice of readiness shall not be delivered if the vessel is maintaining line service.

When a vessel is maintaining line service, cargo shall be loaded as soon as the vessel is ready for loading in its specified berth.

Article 472

The master of the vessel may deliver a notice of readiness if the vessel is ready for loading and is berthed at the place in the port referred to in Articles 463, 464, 466 and 467 of this law, if he has already received permission to communicate with the land and to load cargo and if other actions which make it possible to ship cargo have been performed.

A notice of readiness may be delivered even if the vessel has not been berthed as described in Paragraph 1 of this article if it has been prevented by reasons for which the shipper is responsible.

Article 473

In maritime shipping the carrier shall take over cargo under ship's tackle.

In inland shipping the consignor shall load cargo on the vessel except in the case of line vessels when the carrier shall take over cargo under ship's tackle.

Article 474

The master of the vessel is required to give instructions to a consignor loading cargo himself on the vessel concerning the manner of stowage of the cargo so as to avoid damage to the vessel which might occur because the cargo is being carried by ship.

In loading cargo the consignor must adhere to instructions of the master pertaining to distribution of cargo in the vessel and other circumstances related to the safety of persons, the vessel, its equipment and gear and other cargo on the vessel and prevention of environmental pollution.

Article 475

Cargo may not be placed on the deck of the vessel without a separate written consent of the consignor, unless it is cargo ordinarily placed on deck.

Article 476

The amount of cargo delivered for carriage may be defined in terms of the number of pieces, the weight or the volume.

In case of doubt the amount of cargo shall be defined in the unit of measurement which is customary in the port of loading.

Article 477

Another cargo may be delivered for carriage in place of the cargo stipulated if this does not alter the conditions of carriage to the carrier's detriment or if this would not detain the vessel or would not threaten the safety of the vessel and other cargo, and if the shipper provides the carrier at his request security to cover claims which might arise because of the substitution of cargo.

If the stipulated cargo has already been loaded, the shipper shall bear the expenses related to its unloading and the loading of the other cargo.

Article 478

The shipper or consignor must provide the carrier instructions as to the handling of cargo if the cargo is not one that is regularly handled in commerce and if the master is required to take special measures in stowing the cargo.

Article 479

In the case of a dangerous cargo the shipper or consignor must inform the carrier of the nature of the danger without his request and must indicate which safety measures should be taken.

If notice of a dangerous cargo being carried in inland shipping is not indicated on the bill of lading, and in maritime shipping is not indicated in the bill of lading or other written documents serving as the carriage contract, the burden of proving that the carrier knew of the danger involved in the carriage of that cargo falls upon the user of carriage.

Article 480

The carrier may not accept for carriage cargo whose import, transit or export is prohibited or which is being smuggled.

A carrier is not required to accept for carriage cargo which is by its nature dangerous if at the time when the contract of carriage was concluded he did not know the dangerous characteristics of the cargo nor need he have known.

The carrier is not required to accept for carriage cargo which in view of its condition and the condition of its container or packaging represents a danger to persons, the vessel and environment or other cargo it would or might come into contact with during shipment.

Article 481

The shipper is liable to the carrier for damage inflicted on persons, the vessel, cargo, the environment and all other damage and expenses caused by the defective condition of packaging or containers.

Article 482

The shipper is liable to the carrier for damage inflicted on persons, the vessel, cargo, the environment, and for all other damage and expenses caused by the natural characteristics and condition of cargo if the carrier was not aware of those characteristics or that condition of the cargo, nor need he have known.

Article 483

The provisions of Articles 465, 469, 470 and 473 of this law shall apply unless the customs of the port of loading specify otherwise.

Time of Loading

Article 484

The carrier must take the cargo for shipment during the working hours of the port.

The working hours of the port are fixed in accordance with law by the organization of associated labor which is the user of the port.

Article 485

Lay days begin to run at the beginning of morning working hours or afternoon working hours provided that the notice of readiness has been delivered no later than 2 hours before the end of morning working hours or afternoon working hours, respectively.

The number of lay days shall be specified by a general self-management act or according to the custom of the port.

Lay days shall be specified in working days and parts of a working day, 24 running hours to be counted as 1 working day.

Sundays, state holidays and other holidays when work is not done in the port and time when loading cannot be done because of weather conditions or obstacles on the vessel's part cargo cannot be loaded shall not be counted in working days.

Article 486

Days on demurrage shall begin at the end of lay days.

Days on demurrage shall be half the time of lay days.

Days on demurrage shall be counted in running days and parts of a day without interruption.

Days on demurrage shall not be counted for the time work cannot be done because of obstacles on the vessel's part.

Article 487

The carrier is entitled to special compensation for days on demurrage.

The rate of demurrage shall be fixed according to the rate of demurrage for other similar vessels in the same port at the same time; if this is not possible, the rate of demurrage shall be fixed according to the rate of demurrage of other similar vessels in the nearest port at the same time.

Demurrage shall be paid every day in advance for the entire day; but if loading is done before the end of the day for which demurrage has been paid in advance, the carrier must return the appropriate portion of demurrage.

Article 488

If demurrage is not paid when due, the vessel may immediately depart with the portion of cargo which has been loaded.

In the case referred to in Paragraph 1 of this article the carrier retains the right to full freight, demurrage and other claims he is entitled to under the contract.

Article 489

At the end of days on demurrage the vessel may immediately sail with the portion of the cargo which has been loaded.

In the case referred to in Paragraph 1 of this article the carrier retains the right to full freight, demurrage and other claims he is entitled to under the contract.

Article 490

The carrier may not refuse to load cargo placed alongside the ship before the end of lay days or days on demurrage, if the latter are provided for, even though loading and stowing of such cargo would detain the vessel beyond the end of lay days or days on demurrage.

In the case referred to in Paragraph 1 of this article the carrier has the right to compensation for detaining the vessel after the days on demurrage (exceptional demurrage).

Exceptional demurrage shall be 50 percent higher than regular demurrage.

In addition to exceptional demurrage, the carrier also has the right to damages for detention of the vessel if such damages exceed the amount of exceptional demurrage.

Article 491

When a vessel may sail with the loaded portion of cargo because demurrage has not been paid when due (Article 488) or when days on demurrage have expired (Article 489), the carrier has the right to withdraw from the contract and unload the cargo if the loaded portion of cargo does not afford adequate security for the carrier's claims under the contract of carriage.

In unloading cargo the carrier is required to take the care of a diligent mariner, taking the circumstances of the case into account.

In the case of withdrawing from the contract and discharging the cargo, the carrier shall retain the right to full freight, to demurrage incurred and to compensation for the expenses of unloading which have not been included in the freight, and to other claims he is entitled to under the contract.

Article 492

The provisions of this pertaining to lay days and days on demurrage shall not apply to carriage by vessels in line service.

When carriage is by vessels in line service the consignor must deliver the cargo at the speed at which the vessel can take it.

Article 493

A line vessel is not required to wait for loading beyond the time designated for the vessel's departure as envisaged in the sailing schedule unless the obstacle to loading occurred on the vessel's part.

Article 494

The consignor is required to deliver to the master of the vessel on time the customs and other documents necessary for loading, carriage and discharge of the cargo.

If these documents have not been delivered before the end of lay days or days on demurrage, or by the time fixed for the vessel's sailing when carriage is by a vessel in line service, the master of the vessel has the right to unload the cargo.

In the case referred to in Paragraph 2 of this article the carrier retains the right to full freight and to demurrage and exceptional demurrage incurred and to compensation for detention of a line vessel and to compensation for any other damage.

Article 495

The provisions of Article 484, Paragraph 1, and Articles 485, 486, 487, 490, 492 and 493 of this law shall apply unless the customs of the port of loading specify otherwise.

Shipping Papers

Article 496

When loading has been completed, the carrier must issue a bill of lading (teretnica) to the consignor at his request.

If in inland shipping the consignor has not requested that a bill of lading be issued, the carrier or consignor have the right to demand that a waybill be issued for the goods turned over to the carrier.

Article 497

If cargo has been turned over to the carrier before loading, the consignor may demand that the carrier issue him a dock receipt or bill of lading containing the conspicuous reservation: "received for loading" (received-for-shipment bill of lading).

Instead of issuing a bill of lading, a carrier who has issued a received-for-shipment bill of lading may mark "loaded" on the received-for-shipment bill of lading to confirm that loading has been done.

Article 498

If a carrier has issued a received-for-shipment bill of lading, the consignor must return to the carrier the received-for-shipment bill of lading upon receipt of the shipped-on-board bill of lading.

If a dock receipt was issued before a bill of lading was issued or a waybill made out, the consignor must return that receipt to the carrier upon receipt of the bill of lading or waybill.

Article 499

If the cargo to be carried has had to be loaded on various vessels, or if different types of cargo are involved, or if the cargo has been divided into various lots, the carrier and consignor have the right to demand that a separate bill of lading or waybill be issued for each vessel used or each type of cargo or each lot of cargo.

If the cargo is being loaded on board in bulk, the consignor has the right to demand that a separate bill of lading or waybill be issued for specific quantities of the cargo.

Article 500

Agreement among the parties concluded contrary to the provisions of Article 496 and Article 497, Paragraph 1, of this law shall be null and void.

Article 501

The bill of lading may be of the following types: straight, order or bearer.

If an order bill of lading does not name the person on whose order the carrier is to deliver the bill of lading, the cargo shall be delivered on order of the consignor.

Article 502

A straight bill of lading is conveyed by assignment, an order of bill of lading by endorsement, and a bearer bill of lading by presentation.

The provisions of law on letters of exchange, except for provisions concerning rebate, shall be appropriately applied to the form and effect of endorsement.

Article 503

In maritime shipping the carrier is required to issue the consignor several copies of the bill of lading at his request, indicating on each copy the number of copies issued.

Article 504

In inland shipping one copy of the bill of lading shall be issued.

Article 505

Each party may demand that several copies of the bill of lading be drawn up for its needs.

Each copy of the bill of lading must state that it is a copy.

The consignor must sign a copy of the bill of lading at the carrier's request.

Article 506

The bill of lading shall contain the following:

- 1) the corporate name or title and address or name and address of the carrier issuing the bill of lading;
- 2) the name of the vessel or other data concerning its identity;
- 3) the corporate name or title and address or name and address of the consignor;
- 4) the corporate name or title and address or name and address of the consignee or the words "to order of" or "to the bearer";
- 5) the port of destination or the time when or place where such port shall be specified;
- 6) the amount of cargo in terms of the number of pieces, weight, volume or other unit of measurement, depending on the type of cargo;
- 7) the type of cargo and markings to be found on it;
- 8) the condition of the cargo or wrapping with respect to external appearance;
- 9) provisions concerning freight;
- 10) place and date when the cargo was loaded and the bill of lading issued.

The bill of lading may also contain other data and other terms of carriage.

In inland shipping a freight bill of lading must also be marked that it is a bill of lading.

Article 507

A received-for-shipment bill of lading must contain the data enumerated in Article 506 of this law except the data on the vessel's identity and on the place and date of loading.

When he marks the received-for-shipment bill of lading "loaded," the carrier is required to enter on it data concerning the identity of the vessel and the date of loading the cargo.

Article 508

The carrier or his authorized representative shall sign the bill of lading in his own hand.

Article 509

The bill of lading shall be drawn up by the carrier on the basis of the consignor's written data.

Article 510

If there is warranted suspicion that the data the consignor has given concerning the type of cargo or markings on it or amount of cargo in terms of the number of pieces, weight, volume or other unit of measurement are not accurate or complete, and if there is no reasonable possibility of checking the accuracy of these data at the time of loading, or if the markings on the cargo are unclear or not durable enough, the carrier of the maritime vessel may enter remarks on the bill of lading and justify them.

Article 511

When it is found that data concerning the cargo given by the consignor to an inland carrier to be entered on the bill of lading are not accurate or when it is obvious that the cargo is not in good condition, the carrier may enter remarks on the bill of lading in which he shall state the relevant shortcomings.

An inland carrier may enter on the bill of lading remarks related to data concerning the cargo which the consignee has given him and which he was unable to verify by the usual means, indicating the circumstances which prevented him from checking the accuracy of the data given him by the consignor. An inland carrier may specifically enter reservations if the goods delivered have not been weighed, tallied or otherwise measured, so that he might be able to make an appropriate check by the means at his disposal or which might reasonably be at his disposal or which the consignor makes available to him.

If in accordance with the customs of the port of loading the weight or other measurement of the goods being carried in inland shipping is asserted by a third party who is not a party to the contract, the shipper shall not be liable for the accuracy of data concerning weight or quantity, and the carrier may enter on the bill of lading an appropriate remark (for example, "weight unknown," "tally unknown").

Remarks as referred to in Paragraph 3 of this article are not allowed when the weight or tally have been stated in the presence of all parties or officially.

The remarks of an inland carrier made on the bill of lading to the effect that he does not know the amount of goods, such as "weight unknown" or "tally unknown," are always allowed if the weight or other measurement has been asserted unilaterally by the consignor, in conformity with the customs of the place of loading.

The remark referred to in Paragraphs 1 through 5 of this article may be entered on the bill of lading by an inland carrier only in advance of its signing.

Article 512

The consignor's signature on the bill of lading or copy of the bill of lading (Article 508) does not mean that the consignor has honored the carrier's remarks made on the bill of lading under the provisions of Articles 510 and 511 of this law.

Article 513

If the carrier has not entered on the bill of lading remarks as referred to in Articles 510 and 511 of this law, it shall be assumed with respect to relations between him and a third legal and good-faith holder of the bill of lading that the carrier received the cargo as described in the bill of lading.

If the carrier makes on the bill of lading remarks under the provisions of Articles 510 and 511 of this law, it shall be assumed that he received the cargo as delivered to the consignee unless the legitimate holder of the bill of lading proves otherwise.

Article 514

Written terms of the contract of carriage and the general terms of the carrier bind the authorized holder of the bill of lading who is not the shipper nor the consignor only if the bill of lading explicitly refers to those conditions and terms.

Verbal terms of a contract of carriage which have not been entered in the bill of lading are not binding on the authorized holder of the bill of lading who is not the shipper nor the consignor, even when the bill of lading exclusively refers to those conditions and terms.

If the bill of lading only refers generally to the terms of the contract of carriage and other of the carrier's conditions, the holder of the bill of lading referred to in Paragraph 1 of this article is not bound by those provisions of the contract of carriage and other of the carrier's general conditions which are more stringent than the terms and conditions customary for the type of carriage involved.

Article 515

A waybill (tovarni list) shall be issued in one copy signed by the carrier and consignor. The waybill shall accompany the goods and shall be delivered to the consignee.

The consignor may demand that he be issued a copy of the waybill with the carrier's signature, and the carrier may demand that he be issued one copy of the waybill with the consignor's signature.

The signatures referred to in Paragraphs 1 and 2 of this article may be printed or replaced by a stamp or facsimile.

The person whom the consignor has authorized to load good on his behalf may sign the waybill for him, but in that case this person must explicitly state that he has signed for the consignor.

Article 516

When a waybill is issued, it is assumed unless proven to the contrary that a contract of carriage has been concluded and that the cargo has been received for shipment under the conditions stated in the waybill.

Article 517

The nonexistence, incorrectness or loss of the waybill shall not affect the existence nor validity nor content of the contract of carriage.

Article 518

The waybill must contain the following:

- 1) the place and date of its issuance;
- 2) the place and date when the cargo was received;
- 3) the corporate name or title or name and address of the carrier and consignor;
- 4) the stipulated place of unloading;
- 5) the corporate name or title or name and address of the consignee;
- 6) description of the cargo, which means the customary name and type of packaging, identification marks, the weight of the cargo, volume or amount in other terms, and, if necessary, the number of pieces or packages; in the case of a dangerous cargo, it shall also contain a remark to that effect.

The waybill must also contain other data and the terms and conditions of carriage.

Article 519

The consignor shall enter data on the waybill and on its copies.

Article 520

The carrier may make remarks on the waybill in accordance with the provisions of Article 511 of this law.

Article 521

If the carrier has not made remarks on the waybill under Article 520 of this law, it shall be assumed until proven otherwise that he received the cargo as described in the waybill.

If the carrier makes remarks in the waybill under Article 520 of this law, it shall be assumed that he received the cargo as delivered to the consignee unless the lawful holder of the waybill proves otherwise.

The Voyage

Article 522

The carrier must complete the voyage in the stipulated time.

If the time of the voyage has not been stipulated, the carrier is required to complete the voyage in a reasonable period.

Article 523

The carrier must make the voyage by the stipulated route.

If the route has not been stipulated in the contract, the carrier is required to make the voyage by the customary route.

Article 524

When for any reason the vessel has been prevented from beginning its voyage or from continuing a voyage already begun, and the obstacle could persist for a long time or if its duration is unknown, the master of the vessel must seek instructions from the shipper or person authorized to dispose of the cargo.

If the master cannot proceed according to the provision of Paragraph 1 of this article or carry out an instruction received, depending on the circumstances of the case he must transship the cargo, return with the cargo to the port of loading or act in some other manner which takes into account the interests of the carrier and the users of carriage.

When in the cases referred to in Paragraphs 1 and 2 of this article the contract of carriage ceases to be valid by operation of the law itself or on the basis of rescindment, the provisions of this law regulating relations among contracting parties in the case of termination of a contract

(Article 451) shall be appropriately applied to the rights and obligations of the contracting parties which have arisen because of the measures taken by the master of the vessel.

If a contract has not ceased to be valid or if the instructions of the shipper cannot be carried out, the harmful consequences shall be borne by the party who is responsible for the obstacle which has arisen or on whose side the reason for the obstacle lies. If the reason for the obstacle lies on both sides, each side shall bear its own loss.

If both sides are to blame for the obstacle, they shall bear the loss in proportion to their accountability.

Article 525

The shipper or lawful holder of the bill of lading may rescind the contract after the voyage has begun under the conditions cited in Article 453, Paragraph 3, and in Articles 455 and 456 of this law.

Article 526

If a waybill has been issued for cargo being carried and a copy of the waybill has been issued to the shipper, the shipper may dispose of the cargo after the voyage has begun under the conditions cited in Article 453, Paragraph 3, and Article 455 of this law, and he must show the carrier the copy of the waybill or give him security for the damages which might arise because he has not been shown the copy of the waybill.

If the shipper asks for the cargo to be released to him, he must return to the carrier the copy of the waybill or give him the security referred to in Paragraph 1 of this article.

The shipper's right to dispose of the cargo ceases when that right passes to the consignee under the provisions of Articles 533 and 534 of this law.

Article 527

A carrier who does not carry out an order received from the user of carriage, when he is required to do so on the basis of the provisions of this law, shall be liable to the user of carriage for any loss which occurred thereby.

The carrier is required to pay damages to the consignee who is the lawful holder of the bill of lading if he carries out the order of the shipper though all copies of the bill of lading have not been returned to him.

The carrier is required to pay damages to the consignee if he carries out the order of the shipper though the shipper has not returned to him or shown to him the copy of the waybill issued to the consignor.

The amount of damages referred to in Paragraphs 1 through 3 may not exceed the amount which the carrier would be required to pay were he responsible for the total loss of the cargo.

Article 528

A carrier's duty to pay damages on the basis of the provisions of Article 527, Paragraphs 2 and 3, of this law does not affect his right of reimbursement from the user of carriage.

Delivery of the Cargo to the Consignee

Article 529

The carrier is required to deliver the cargo to the consignee in the port of destination.

Article 530

The provisions of Articles 464 through 468 and of Articles 470 through 473 of this law shall apply to the port of destination and to delivery of the cargo to the consignee.

Article 531

The carrier is required to deliver the cargo to the authorized holder of the bill of lading or to the person designated in the waybill; but if such documents have not been issued--to the person authorized on the basis of the contract of carriage.

Article 532

If no shipping paper has been issued on a cargo being carried, the consignee has the right to demand of the carrier that he deliver the cargo to him when the vessel reaches the port, provided that he meets the obligations burdening the cargo on the basis of the contract.

If a waybill has been issued for a cargo being carried, the consignee has the right to demand that the carrier present him the waybill and deliver him the cargo as soon as the cargo reaches the port of destination provided that he meets his obligations arising out of the waybill.

The carrier is required to meet the demand of the consignee as referred to in Paragraphs 1 and 2 of this article unless the shipper's order concerning disposition of the cargo which a carrier is required to perform contradicts this.

Article 533

The authorized holder of the bill of lading has the right to demand that the carrier deliver him the cargo as soon as the cargo reaches the port of

destination provided he meets all obligations arising out of the bill of lading.

When he receives the cargo, the authorized holder of the bill of lading must return the bill of lading to the carrier.

When in the port of destination the cargo has been delivered to a person who has submitted one of several copies of the bill of lading, the other copies of the bill of lading shall no longer obligate the carrier.

Article 534

If no shipping paper has been issued on a cargo being carried, the consignee has the right to demand of the carrier that he deliver the cargo to him before the vessel reaches the port of destination if the shipper has so authorized him in the contract with the carrier.

When a waybill is issued on a cargo, the consignee's authorization as referred to in Paragraph 1 of this article must be stated in the waybill. An authorization which is not stated in the waybill is null and void.

The lawful holder of the bill of lading has the right to demand that the cargo be delivered to him before the vessel's arrival at the destination under the conditions referred to in Article 453, Paragraph 3, and Articles 455 and 456 of this law.

Article 535

The carrier has the right to demand of the person to whom he delivers the cargo that he be given a receipt; and if the waybill was also delivered, he is entitled to request a receipt for the waybill as well.

Article 536

If a cargo covered by a single shipping paper is to be delivered in parts, the carrier may demand that the part of the cargo be signed for on the document itself or that a separate receipt be given.

Article 537

If no shipping paper has been issued on a cargo being carried or a waybill has been issued, the shipper has the right to order the carrier to deliver the cargo in the port of destination to another person than the person designated in the contract or waybill.

If a waybill has been issued on cargo being carried and a copy of the waybill has been issued to the shipper, the shipper has the right to issue an order to the carrier under Paragraph 1 of this article if he shows him the copy of the waybill he has received.

The shipper loses the right referred to in Paragraph 1 of this article when on the basis of the provisions of this law the consignee has acquired the right to demand and does demand delivery of the cargo from the carrier.

Article 538

The provisions of Articles 484 through 487 and of Article 495 of this law shall also apply to unloading time.

Article 539

If unloading is not completed before the end of days on demurrage or if demurrage is not paid when due, the master of the vessel, in order to secure demurrage and other claims arising out of the contract of carriage, at the expense and risk of the consignee or other person authorized to dispose of the cargo, may unload the cargo and store it himself or deliver it for storage to a public warehouse or other suitable person.

Article 540

In the case referred to in Article 539 of this law the carrier also has the right to damages for detention of the vessel after expiration of days on demurrage, whose amount shall be determined according to the provision of Article 490, Paragraphs 3 and 4, of this law.

Article 541

If the consignee of the cargo does not make a written objection because of damage or shortage of the cargo immediately upon its receipt, it shall be assumed until the consignee proves otherwise that the cargo was delivered to him as indicated in the bill of lading or waybill, or if no shipping paper has been issued, as it was received for shipment.

If the damage or shortage are not evident, the consignee may make the written objection referred to in Paragraph 1 of this article within 3 days from date of receipt of the cargo.

The objection referred to in Paragraphs 1 and 2 of this article must be sufficiently definite.

If the consignee makes a written objection within the periods referred to in Paragraphs 1 and 2 of this article, it shall be assumed until the carrier proves otherwise that the allegations in the objection are true.

If the carrier and consignee have jointly stated in writing at the time of unloading and delivery of the cargo that there is damage or shortage of the cargo, it is not necessary for an objection to be lodged.

An agreement among the parties concluded contrary to the provisions of Paragraphs 1 through 5 of this article which is to the detriment of the user of carriage shall be null and void.

The carrier and the consignee are required as far as possible to aid each other in ascertaining the condition of the cargo and the amount at the time of acceptance.

Article 542

The customary spillage during shipment shall also be taken into account when the amount of a shortage of cargo delivered is being determined.

Spillage shall not be taken into account when cargo is lost.

The spillage referred to in Paragraph 1 of this article shall be calculated according to the customs of the place where the port of discharge is located.

Article 543

The consignee must prove damage caused by lateness in delivery of the cargo which does not represent a shortage or damage to the cargo.

Article 544

If the consignee does not appear, or if he cannot be found, or if he will not or cannot take the cargo, or if more than one lawful holder of the bill of lading appears before the cargo is delivered, the carrier must seek instructions from the consignor or from the shipper.

Article 545

If a carrier who under Article 544 of this law has requested instructions from the consignor or shipper does not receive that instruction or time or is unable to carry out an instruction received, he may proceed in accordance with Article 539 of this law, but he must inform all users of carriage known to him of the steps he has taken.

If the shipment is being made by a vessel in line service or a shipment on the basis of a charter party, the carrier must immediately report obstacles to delivery of the cargo to all users of carriage known to him, but he is not required to await instructions, but may immediately take the steps referred to in Article 539 of this law.

Article 546

If the carrier places the cargo for storage in a public warehouse or delivers it to another person for storage, he shall be accountable only for the choice.

Article 547

If a cargo which the carrier is keeping or has delivered for storage under Articles 539 and 545 of this law has not been claimed within 30 days from the date when it was taken over for safe keeping or from the date when it was delivered for storage in the port of destination, and if freight and other claims arising out of the contract of carriage have not been paid, the carrier may sell the cargo or a portion of the cargo if this is necessary to satisfy those claims.

The carrier may also sell the cargo before expiration of the period referred to in Paragraph 1 of this article if the proceeds of the sale are insufficient to cover the claims of the carrier and the cost of storage or if the goods are spoiling or are perishable.

The goods shall be sold by public auction except in the case of perishable goods, goods which are spoiling or goods which have a commodity exchange price.

In selling perishable goods or goods which are spoiling the carrier must act with requisite care.

Article 548

After deduction of his claim on the basis of carriage of the cargo and after deduction of the cost of storage and sale of the cargo, the carrier must deposit the proceeds of sale of the cargo under Article 547 of this law with the court which has jurisdiction at the place of sale in favor of the person authorized to dispose of the cargo and shall report this without delay to the users of carriage known to him.

Article 549

In the case of carriage by a vessel in line service, when a carrier is prevented through the fault of a user of carriage from discharging the cargo in the port of destination before the time of the vessel's scheduled departure from that port, he may unload it in another nearby port, retaining the right to higher freight and to reimbursement for damages arising therefrom.

If unloading in the port of destination is not prevented through the fault of a user of carriage, the carrier is required to bear the expenses of delivery to that port; and if the obstacle to unloading has occurred through his fault, he is also required to reimburse damages for lateness.

Carrier's Liability for Damage to Goods
and for Lateness

Article 550

The carrier shall be liable for any damage, shortage or loss of the cargo which he accepts for carriage from receipt to delivery and for damages which occur because of lateness in delivery of the cargo.

Article 551

The provisions of this law which pertain to the inland carrier's liability shall apply to damage, shortage or loss of cargo occurring in the area of inland navigation.

In case of doubt as to whether the damage, shortage or loss of cargo has occurred in the area of maritime or inland navigation, it shall be assumed until the carrier proves otherwise that they have occurred in that area of navigation whose regulations are less favorable to the carrier.

In the case of carriage which is partly maritime and partly in inland shipping, the carrier shall be liable for lateness in delivery of cargo under the regulations of that area of navigation in which the port where he is to deliver the cargo on the basis of the contract is located.

Article 552

Lateness in delivery of cargo exists if the cargo has not been delivered to the consignee by the stipulated date or when that date has not been stipulated if the cargo is not delivered to the consignee within a reasonable time.

Article 553

The carrier shall not be liable for damage, shortage or loss of cargo or for lateness in delivery of cargo if he proves that the damage, shortage, loss or lateness derive from causes which could not be prevented nor corrected through the care of a diligent mariner.

Article 554

The carrier shall be liable for the actions and omissions of the master of the vessel, other members of the vessel's crew and other persons working for the carrier in performance of their duties as for his own actions and omissions.

A maritime carrier shall not be liable for damage, shortage or loss of cargo and for lateness in delivery of cargo which were caused by actions or omissions of the persons referred to in Paragraph 1 of this article in navigation and management of the vessel.

Article 555

A maritime carrier shall be liable for damage to cargo on a vessel caused by fire only if it is proven that he caused the fire through his personal act or omission.

Article 556

A maritime carrier shall not be liable for damage to cargo proven to have been caused in the following ways:

- 1) by a concealed defect in the vessel or in its seaworthiness, but only if it has met the conditions of Article 458 of this law;
- 2) by a vis major, marine disaster, war, international crimes on the high seas, riot and rebellion;
- 3) because of sanitary restrictions or other measures and actions taken by government authorities;
- 4) by actions or omissions of the consignor or persons authorized to dispose of the cargo or persons working for them;
- 5) by work stoppage or strike, lockout or other obstacles whatsoever which entirely or partially prevent work;
- 6) by rescue or attempted rescue of life and property at sea;
- 7) by a diversion of the ship in the cases referred to in Point 6 of this article or for other good cause;
- 8) because of the natural loss in weight or volume of the cargo or damage or loss occurring because of its own defect, concealed fault or the particular nature of the cargo;
- 9) because of inadequate packing or unclear markings on the cargo or cargo markings which were not sufficiently durable.

In spite of the carrier's proof as referred to in Paragraph 1 of this article, the carrier shall be liable for damage if the user of carriage proves that the damage was caused through the personal fault of the carrier or through the fault of persons for whose actions and omissions the carrier is liable, and which do not pertain to the navigation and management of the vessel.

Article 557

An inland carrier shall not be liable for damage to cargo if he establishes the probability that the damage might have occurred in the following ways:

- 1) because of stowage of the cargo on deck, if that manner of stowing the cargo was stipulated and stated in the shipping paper;
- 2) because of the lack or poor condition of packaging in the case of a cargo which by its nature is subject to spillage or damage, if it was not packaged or if it was poorly packed;
- 3) because of loading by the consignor or unloading by the consignee;
- 4) because of carriage in a sealed cargo space of the vessel, provided that the cargo space was sealed by the consignor and that the seals are undamaged at the moment of delivery to the consignee;
- 5) by the nature of goods which inherently are particularly liable to damage, shortage or loss and especially because of breakage, rust, rotting, drying, leakage, normal spillage or the effect of rodents;
- 6) in the carriage of live animals.

The carrier may not be relieved of liability on the basis of the provisions of Paragraph 1 of this article if the user of carriage proves that the damage did not arise from the causes to which the carrier refers.

Article 558

Unless it is contrary to regulations in effect, the master of the vessel may at any time and at any place unload a dangerous cargo, render it harmless or jettison it if the carrier was not notified of that danger before loading.

In the case referred to in Paragraph 1 of this article the carrier shall retain the right to full freight and shall not be liable for damages.

Article 559

If a carrier has received a dangerous cargo for carriage, knowing the danger which the cargo represents, he may unload it or render it harmless if the safety of the vessel, persons or other cargo on the vessel and the environment is threatened.

If on the basis of Paragraph 1 of this article the carrier discharges the cargo before arrival at the destination, he is entitled to freight on the basis of the useful distance the cargo was carried, and each party shall bear on his own part other damages caused by the loading of the dangerous cargo and the carrier's action.

Article 560

The carrier shall not be liable for damages occurring because of damage, shortage or loss of cargo or lateness in delivery of cargo if the consignor has incorrectly indicated the type or value of the cargo, knowing that the indication was erroneous.

Article 561

The shipper shall be liable to the carrier for reimbursement of damages caused him because the shipper or consignor gave inaccurate or incomplete information about the amount, type and markings of the cargo.

Article 562

The shipper shall be liable to the carrier for damages caused him by the loading or carriage of goods whose import, export or transit is prohibited or which are being smuggled, if at the time of loading the carrier was not aware of those circumstances nor need he have been.

Article 563

A person who without the carrier's knowledge loads goods shall be liable to the carrier for the damage caused him by the loading of those goods.

Article 564

At his own discretion, at any time and at any place the carrier may unload-- and if there is a threat to persons, the vessel, cargo on the vessel and the environment he may jettison--cargo which was loaded without his knowledge and cargo which is incorrectly or incompletely marked.

In the case referred to in Paragraph 1 of this article the carrier shall retain the right to full freight and compensation for damages, and he shall not be liable for the damages which occurred through his act.

Article 565

The master may return cargo whose import, export or transit is prohibited to the port of loading or unloaded anywhere if the need arises for this action of the master, and in a case of necessity he may also jettison it.

If in the case referred to in Paragraph 1 of this article the carrier was not aware of the characteristics of the cargo, nor need he have been, the carrier shall retain the right to full freight and shall not be liable for damages which occurred by his action.

If the carrier knew or was required to know the characteristics of the cargo referred to in Paragraph 1 of this article, he shall retain the right

to freight based on effective distance traveled, and other damage shall be borne by each of the parties for their own part.

Article 566

If the prohibition against import, export or transit of the goods has occurred during the vessel's voyage, the provision of Article 565, Paragraph 1, of this law shall apply to the master's procedure in handling such goods.

In the case referred to in Paragraph 1 of this article the carrier shall retain the right to full freight and reimbursement for damages, and he shall not be liable for damage occurring through his action.

Article 567

The carrier shall not be liable to recovery for damage, shortage or loss of cargo nor for lateness in delivery of cargo in an amount greater than 4,000 dinars per unit of damaged, short or lost cargo or cargo delivered late.

As an exception to the provision of Paragraph 1 of this article, an inland carrier shall be liable for damages because of lateness in delivery of cargo up to the maximum amount of the freight on the cargo delivered late.

By the unit of cargo referred to in Paragraph 1 of this article is meant the package or piece, and in the case of bulk cargo, the metric ton or cubic meter or other measure used as the basis for determination of the freight. If the freight has not been stipulated per unit of measurement, the unit of measurement taken for bulk cargo shall be that unit of measurement customarily used in determining freight in contracts of carriage at the place of loading.

If the cargo is being carried in containers, on pallets or in or on other similar devices, the following shall be taken as the unit of cargo in the context of Paragraph 1 of this article:

- 1) the package or unit of cargo as stated in the bill of lading--if the bill of lading states the package or unit of cargo contained in the container, on the pallet or in or on the other similar device;
- 2) the container, pallet or other similar device in or on which the cargo is being carried--if the bill of lading does not state the package or unit of cargo.

Article 568

The shipper or consignor may in agreement with the carrier increase the limit of the carrier's liability as referred to in Article 567 of this law, indicating that higher value of the goods per unit of cargo.

If a shipping paper has been issued, the agreement among the parties increasing the shipper's liability, when not stated in that paper, shall be null and void in favor of a consignee who is neither the shipper nor the consignor.

Article 569

It shall be assumed that the value of the cargo corresponds to the amount which the parties establish by agreement on the basis of Article 568 of this law, unless the carrier proves otherwise.

Article 570

A carrier may not invoke the provisions of this law concerning limitation of his liability (Articles 567 and 568) if it is proven that he personally caused the loss intentionally or through extreme negligence.

Nor may an inland carrier invoke the provisions of Paragraph 1 of this article when it is proven that the loss occurred through the intentional action or omission or extreme negligence of persons working for the carrier.

Article 571

The carrier shall be liable for the value of lost property or portion of it and for the reduction of value of damaged property.

The carrier shall be liable for goods delivered late and also for loss caused by the lateness.

As an exception to the provisions of Paragraphs 1 and 2 of this article, a carrier who on the basis of Article 570 of this law cannot limit his liability shall be liable for any damage caused by the loss, shortage or damage of goods or by lateness in delivery of goods.

Article 572

The level of damages or loss of goods shall be determined according to the market value of other goods of the same amount and characteristics in the port of destination on the day when the vessel reached that port or, if it did not reach it, when it should have reached it.

If the amount of damages for loss of goods cannot be determined under the provision of Paragraph 1 of this article, it shall be determined according to the market value of goods in the port of loading at the time when the vessel departed, plus the cost arising out of carriage.

The amount of damages for damaged goods shall be determined according to the difference between the market value of such goods in their undamaged state and the market value of such goods in their damaged state.

The amount of damages for lost or damaged goods which cannot be determined under the provisions of Paragraphs 1 and 2 of this article shall be established by a court.

Costs saved because the goods did not reach the destination or because they reached the destination in damaged condition shall be deducted from the amount which the carrier must pay as damages because of damage, shortage or loss of goods.

Article 573

The provisions of Articles 567, 571 and 572 of this law shall also apply when the master of the vessel, other member of the vessel's crew or other persons working for the carrier are liable under general regulations for reimbursement of damages caused by the shortage, loss or damage of goods if it is proven that the loss was caused in their work or in relation to their work or in performance of service or in relation to service.

The persons referred to in Paragraph 1 of this article may not invoke limitation of liability if they caused the loss intentionally or through extreme negligence.

Article 574

The total amount of reimbursement for damage caused by the carrier and persons referred to in Article 570, Paragraph 2, and Article 573, Paragraph 2, of this law may not exceed the amount provided for in Article 567 of this law.

The provision of Paragraph 1 of this article shall not affect the provisions of Article 570, Paragraph 2, and Article 573, Paragraph 2, of this law.

Article 575

The persons referred to in Article 573, Paragraph 1, of this law shall be liable up to the amount provided for in Article 567 of this law even when on the basis of Article 568 of this law the carrier has increased the limit of his liability.

Article 576

The provisions of this law pertaining to the carrier's liability may not be altered by contract to the detriment of the user of carriage.

As an exception to the provision of Paragraph 1 of this article, the provisions of this law on the carrier's liability may by contract be altered to the advantage of the carrier with respect to the following:

1) damage, shortage or loss of cargo occurring before beginning of loading or after unloading;

2) damage because of lateness.

The carrier may also alter the provisions of this law pertaining to a maritime carrier's liability by contract in his own favor with respect to the following:

1) the carriage of live animals;

2) shipment of cargo which has been stowed on deck on the basis of the consignor's written consent.

Article 577

The provisions of a contract contrary to Article 576 of this law shall be null and void.

The nullity of one provision of a contract as referred to in Paragraph 1 of this article shall not affect the validity of the contract's other provisions.

Article 578

The provisions of this law concerning the carrier's liability shall apply to all demands under the contract or aside from the contract made on whatsoever basis against the carrier because of damage, shortage or loss of cargo.

Article 579

The provisions of this law concerning the carrier's liability shall not affect the provisions of this law concerning general average damages.

Freight

Article 580

The amount of freight shall be stated in the contract.

If the amount of freight is not stated in the contract, it shall be determined on the basis of the average rate on that type of cargo in contracts of carriage at the time the cargo was loaded in the port of loading.

Article 581

If more cargo is loaded than covered by the contract, the freight shall increase in proportion.

If instead of the cargo contracted for another cargo is loaded whose freight is higher than that contracted for, freight shall be paid for the cargo actually loaded.

If less cargo is loaded than was contracted for or if nothing is loaded, freight shall be paid for the entire amount of cargo contracted for.

If less cargo is loaded than was contracted for, and freight on the cargo loaded is higher than the freight contracted for, the entire freight contracted for shall be paid for, as well as the difference between the contracted freight and the higher freight for the loaded portion of the cargo.

The provision of Paragraph 3 of this article shall not affect the provisions of Article 453 of this law.

Article 582

If only a part of the cargo stipulated by the charter party is loaded, and the carrier has made use of the unused portion of cargo space, the charter hire agreed on shall be reduced proportionally.

If the carrier has made use of the unused portion of cargo space contrary to the explicit prohibition of the charterer, the carrier shall be liable to the charterer for reimbursement of damages.

Article 583

The hire stipulated in a voyage charter shall not change regardless of how long the voyage takes unless the charter hire was stipulated on the basis of time.

If at the charterer's request or in the interest of the user of carriage the voyage is extended beyond the agreed destination, the hire shall be increased proportionally.

Article 584

If a voyage charter stipulates hire on the basis of time, and commencement of the time for which hire must be paid has not been fixed, it shall begin on the day when notice is given of the vessel's readiness, as follows: at noon if notice was given before noon, and at midnight if notice was given after noon.

If on the consignor's order loading began before the time fixed in Paragraph 1 of this article or the vessel sailed without cargo, commencement of the time for which hire must be paid shall be counted from beginning of loading or from the vessel's departure.

The time for which hire is paid shall end with discharge of the cargo; if the vessel has arrived without cargo, that time shall end when the vessel anchors or is moored in the port where the voyage ends, the last day of the voyage to be counted as an entire day.

Article 585

If the voyage charter specifies hire on the basis of time, and during the voyage an obstacle arises to execution of the charter party on the carrier's side and through no fault of the charterer or consignor, hire shall not be paid for the duration of the obstacle.

Article 586

The charterer shall pay the hire stipulated by a time charter in equal monthly amounts in advance, but the carrier shall be entitled to the hire only for the time in which he was performing the contract.

Hire shall be paid during an obstacle in use of the vessel during the validity of a time charter only when the obstacle is on the charterer's side or results from execution of his order.

The carrier may also withdraw from the charter party when the hire has not been paid when due.

Article 587

In the case of a time charter for the whole vessel the charterer must not only pay hire, but must supply the ship at his own expense with fuel and lubricants and water necessary for the vessel's propulsion machinery and the vessel's other machines and shall pay port charges and tolls.

Article 588

The time for payment of hire on the basis of a time charter shall begin to run as in the case of a voyage charter in which the hire is stipulated on the basis of time (Article 584).

Double hire shall be paid for the time the vessel is on a voyage on the charterer's behalf after expiration of the time charter through no fault of the carrier.

Article 589

The award which a vessel receives for salvage during a time charter of the entire vessel shall be divided equally between the carrier and charterer after deduction of salvage expenses and the portion belonging to the vessel's crew.

Article 590

In the case of cargo loaded without the carrier's consent and cargo erroneously or incompletely marked, freight shall be paid at the highest freight rate charged for the type of cargo at the time of loading of that cargo for the same or similar voyage if that rate is higher than the stipulated rate.

Article 591

Freight shall be paid only for cargo which has been carried and has been placed at the consignee's disposition in the port of destination.

Aside from the cases provided for in Articles 453, 454, 455, 488, 489, 491, 558, 564, 565 and 566 of this law, and as an exception to the provision of Paragraph 1 of this article, freight shall also be paid on cargo which has not been carried and placed at the consignee's disposition, if the nonarrival of the cargo at the destination has been caused by the shipper or consignor or person authorized to dispose of the cargo, or persons for whom they are responsible, or if the reason why the cargo did not reach the port of destination lies on the side of the cargo, and the carrier is not accountable for that reason.

As an exception to the provision of Paragraph 2 of this article, in the case of cargo carried only part of the way, aside from the cases referred to in Articles 451, 559, 565 and 592 of this law, the carrier shall be entitled to freight in proportion to the distance effectively traveled when he is not responsible for interruption of the voyage.

Article 592

In case of shipwreck or other maritime disaster or should the vessel or cargo be seized as a prize or detained because of war, international crimes at sea, riots or rebellion, the carrier shall be entitled to freight on salvaged cargo in proportion to the portion of the route effectively traveled.

Article 593

If carriage is performed without the issuance of a shipping paper, the consignee must pay the freight and other claims related to the carriage of the cargo upon its receipt unless the shipper and carrier have contracted otherwise.

Article 594

If the cargo is obtained on the basis of a bill of lading, the consignee is required to pay only the claims stated in the bill of lading or which have occurred after its issuance.

Article 595

A consignee who asks to be given the waybill and to be delivered a cargo in inland shipping must satisfy the carrier's claims and discharge all other contractual obligations stated in the waybill unless it is expressly stated that they shall be paid or discharged by the shipper.

A consignee receiving cargo on the basis of a waybill must pay those of the carrier's claims which have occurred after the waybill was issued if the carrier has entered those claims on the waybill.

Article 596

If the consignee does not discharge his obligations under Articles 593 through 595 of this law, the carrier has the right to retain and sell the cargo under the provisions of Articles 546 through 548 of this law.

The carrier shall also have the rights provided for in Paragraph 1 of this article when he is delivering cargo to a person who is not the consignee.

Article 597

A carrier who has delivered the cargo to the consignee has no right to claim from the shipper amounts which he omitted to collect from the consignee by invoking the provision of Article 596 of this law.

If by selling the cargo the carrier has succeeded in collecting only a part of his claim, under the conditions provided for in Paragraph 1 of this article he has the right to demand that the shipper pay the unsatisfied portion of the claim.

The provision of Paragraph 1 of this article shall not apply if the carrier proves that with due diligence it was not possible to proceed under the provisions of Article 596 of this law.

Statutory or Legal Liens of Goods Loaded on a Vessel

Article 598

Legal liens on goods loaded on a vessel exist for the following:

- 1) court costs incurred in the common interest of all creditors in execution or enforcement proceedings so as to safeguard the goods or to conduct a sale, and the costs of storage and supervision of such goods from the vessel's entry into the last port;
- 2) claims on the basis of a salvage award and contributions from general average burdening the goods;

3) claims arising out of the contract of carriage, including costs of storing loaded goods.

Legal liens affecting the principal shall also exist on the interest.

Article 599

Legal liens shall not expire with a change in the holder of the right of possession or owner of the goods, unless this law states otherwise.

Article 600

The order of priority of claims secured by legal liens on loaded goods shall be determined on the basis of the order of priority provided for in Article 598, Paragraph 1, of this law.

If the claims referred to in Article 598, Paragraph 1, Points 1 and 3, of this law cannot be fully satisfied, they shall be met in proportion to their amounts.

If the claims referred to in Article 598, Paragraph 1, Point 2, of this law cannot be fully satisfied, the later claim shall have priority over the earlier claim.

It shall be assumed that claims related to the same event arose simultaneously.

Article 601

The carrier's exercise of the right to retain the goods under Article 596 of this law shall not affect the order of priority of claims secured by legal liens.

Article 602

A claim secured by a legal lien shall not expire when the legal lien expires.

When a claim secured by a legal lien is assigned, the legal lien on loaded goods shall also be conveyed.

Article 603

Legal liens on loaded goods shall expire as follows:

- 1) when the claim secured by the legal lien expires;
- 2) when the goods are sold in execution or bankruptcy proceedings;

3) if the creditor does not seek pronouncement of a temporary measure by the competent court within 15 days from the date when the goods were unloaded;

4) if before expiration of the period referred to in Point 3 of this article the unloaded goods have lawfully passed into the hands of third parties who are not holding them in the name of the debtor;

5) when the goods are seized as a prize.

b) Carriage of Passengers and Baggage

Article 604

Certain of the phrases used in this chapter of the law concerning the carriage of passengers and their baggage have the following meaning with respect to enforcement of its provisions:

1) the carrier is the person who concludes the contract of carriage or in whose name that contract is concluded, whether he himself actually performs the carriage or performs it through the actual carrier;

2) the actual carrier is a person different from the carrier whether he be the holder of the right of possession of the vessel or the owner of the vessel, charterer, or person using the vessel who actually performs the carriage in its entirety or only a portion of the carriage;

3) the passenger is the person who is carried by the vessel on the basis of the contract of carriage or who is accompanying a vehicle or live animal which is being carried on the basis of a goods contract of carriage;

4) baggage is anything, including a vehicle, which is carried on the basis of the contract of carriage, except the following:

a) goods and vehicles carried on the basis of a demise charter, on the basis of a bill of lading or on the basis of a contract which primarily applies to carriage of goods, and

b) live animals;

5) hand luggage is luggage which the passenger has in his cabin or which he is keeping or overseeing, including baggage which is in a vehicle or on a vehicle;

6) loss resulting from lateness is material loss caused because baggage has not been delivered to the passenger in a reasonable period of time counted from the date of arrival of the vessel on which the baggage was carried or should have been carried, but does not include lateness caused by work stoppage, strike or similar events.

Article 605

In the passenger carriage contract the carrier enters into an obligation with the customer that he will carry one or more passengers, and the customer agrees to pay the fare.

Article 606

The level of the fare shall be stipulated in the contract.

Article 607

The carrier shall issue the passenger a ticket at his request.

The ticket may be made out either in the passenger's name or to the bearer.

Article 608

It shall be assumed that the content of the ticket corresponds to the contract which has been concluded until proven otherwise.

The nonexistence, erroneousness or loss of the ticket shall not affect the existence, validity and content of the contract of carriage.

Article 609

Objection to the content of a ticket made out to bearer may be lodged only at the time of its issue.

Article 610

A ticket made out in the passenger's name may not be transferred to another person without the carrier's consent.

A ticket made out to bearer may not be transferred to another person without the carrier's consent once the passenger has begun the voyage.

Article 611

A passenger who has embarked without a ticket which he was required to obtain before embarking must immediately report to the master or other authorized member of the vessel's crew.

The master may disembark a passenger without a ticket as referred to in Paragraph 1 of this article if he has good cause.

A passenger without a ticket shall pay the fare from the port of embarkation to the port of disembarkation; if he did not report to the master or other authorized member of the vessel's crew in good time, he is required to pay double the fare for the route traveled.

The vessel's port of origin shall be taken as the passenger's port of embarkation if it cannot be established that the passenger embarked at some other port.

Article 612

The passenger may cancel the contract if the vessel does not commence the voyage within the limits of the Adriatic Sea or inland waters of the Socialist Federal Republic of Yugoslavia 1 hour after the time stipulated by the contract or sailing schedule, and when the voyage extends outside those limits--12 hours after the time stipulated in the contract or sailing schedule.

In the case referred to in Paragraph 1 of this article the passenger is entitled to a refund of the fare.

If commencement of the vessel's voyage was late because of the intentional or extreme negligence of the carrier or persons working for the carrier, the carrier must reimburse the passenger for damages.

Article 613

The fare shall not be refunded if the passenger does not arrive at the vessel before the vessel's departure or if he decides not to complete a voyage already begun.

Article 614

The carrier must refund the fare to a passenger whose ticket is made out to him personally if the passenger decides against the voyage when navigation is within the limits of the Adriatic Sea or inland waters of the Socialist Federal Republic of Yugoslavia 6 hours before commencement of the voyage, and in navigation outside those limits--3 days before commencement of the voyage.

In a case of cancellation as referred to in Paragraph 1 of this article, the carrier has the right to retain a maximum of 10 percent of the amount of the fare.

Article 615

If a ticket is made out to the bearer, the carrier must refund the fare to the passenger, unless the ticket indicates otherwise, provided he has canceled the trip 1 hour before its commencement.

In a case of cancellation of a trip under Paragraph 1 of this article the carrier has the right to retain a maximum of 10 percent of the amount of the fare.

Article 616

If during a voyage there has been an interruption of the voyage for reasons which do not fall on the passenger's side, and the interruption lasts more than 12 hours within the limits of the Adriatic Sea and inland waters of the Socialist Federal Republic of Yugoslavia and 3 days in voyages outside those limits, the passenger has the following rights:

- 1) to demand that the carrier carry him to the destination along which his baggage by the carrier's own or other suitable conveyance;
- 2) to demand that the carrier return him with his baggage in a reasonable time to the port of origin and to refund him his fare;
- 3) to cancel the contract and demand that the carrier refund his fare.

If the voyage was interrupted intentionally or by the extreme negligence of the carrier or persons working for the carrier, the carrier must reimburse the passenger's loss.

Article 617

A passenger seeking a refund of his fare (Article 616, Paragraph 1, Points 2 and 3) or reimbursement of loss (Article 616, Paragraph 2) has 3 days when navigation is within the limits of the Adriatic Sea or inland waters of the Socialist Federal Republic of Yugoslavia and 7 days when navigation extends outside those limits to demand in writing that the carrier refund his fare or reimburse his loss or to file a complaint with the court in the same respective periods of time, such time to be counted from the day when the voyage was completed.

The passenger must deliver the written demand for return to the place of departure or for continuation of the voyage (Article 616, Paragraph 1, Points 1 and 2) to the carrier within 24 hours after expiration of the periods provided for in Article 616, Paragraph 1, of this law.

A passenger who does not proceed in conformity with the provisions of Paragraphs 1 and 2 of this article loses the right to demand reimbursement of loss by the carrier, refund of fare or continuation of the voyage, or return to the port of origin.

Article 618

The provisions of this law concerning the carrier's liability for death or bodily injury of passengers shall also apply when carriage is performed gratis.

Article 619

The carrier shall be liable for loss incurred because of the death or bodily injury of passengers, for damage, shortage or loss of baggage if the event causing the loss occurred during carriage or because of lateness in delivery of baggage to the passenger if the loss or lateness can be attributed to the fault of the carrier or persons working for the carrier.

A person who seeks reimbursement of loss as referred to in Paragraph 1 of this article must prove that the event causing the loss occurred during carriage and must prove the amount of the loss.

Article 620

The carrier shall be liable for the loss referred to in Article 619 of this law when it was caused by persons working for the carrier in the performance of their duties.

Article 621

The carrier's fault shall be assumed unless it is proven otherwise if the death or bodily injury of a passenger or damage, shortage or loss of hand luggage or lateness in delivery of luggage to passengers occurred directly or indirectly because of shipwreck, collision, grounding, explosion, fire, or defect of the vessel.

The carrier's blame for loss because of damage, shortage or loss of other luggage and because of lateness in delivery of such luggage to the passenger shall be assumed unless proven otherwise regardless of the nature of the event which caused the damage.

Article 622

The carrier shall be liable to the passenger under the provision of Article 621, Paragraph 2, of this law for loss because of damage, shortage or loss of valuables and for lateness in delivery of such valuables to the passenger (money, securities, gold, silver, gems, jewelry, and objets d'art) only if he has accepted them for safekeeping.

The carrier must issue a written receipt for the articles as referred to in Paragraph 1 of this article which have been accepted for safekeeping.

Article 623

The carrier is required to issue a baggage receipt at the passenger's request for baggage accepted for safekeeping.

The baggage receipt must specify the type and number of pieces.

It shall be assumed that the information in the baggage receipt is correct unless proven otherwise.

Article 624

If baggage is not claimed or carried from the ship after completion of the voyage, the carrier is required at the passenger's expense and risk to store the baggage himself or turn it over for safekeeping to a suitable custodian.

Article 625

If the carrier proves that the death or bodily injury of the passenger, the damage, shortage or loss of baggage or lateness in delivery of baggage to the passenger was entirely or partially caused through the passenger's fault or his behavior which cannot be considered normal, the court shall exclude or mitigate the carrier's liability.

Article 626

The carrier's liability in a case of death or bodily injury of a passenger shall be limited in all cases to 350,000 dinars per passenger and voyage.

If the award in a compensation case is pronounced in the form of permanent benefits, the capitalized amount which is to generate the benefit may not exceed the amount referred to in Paragraph 1 of this article.

The amount referred to in Paragraph 1 of this article shall be used to satisfy all creditors whose claims are based on one event causing the death or bodily injury of passengers.

Article 627

The carrier's liability for loss suffered by baggage because of its damage, shortage or loss or lateness in delivery of baggage to a passenger shall be limited in all cases to the following amounts:

- 1) on hand luggage--to 10,000 dinars per passenger and voyage;
- 2) on vehicles, including baggage carried in or on the vehicle--to 60,000 dinars per vehicle and voyage;
- 3) on other baggage than the baggage covered by Points 1 and 2 of Paragraph 1 of this article--to 15,000 dinars per passenger and voyage.

The provision of Point 3 of Paragraph 1 of this article shall also apply to the carrier's liability to recovery for loss of valuables (Article 622).

Article 628

The carrier and passenger may contract that the carrier shall be liable under the provisions of Article 627 of this law only after deduction of a franchise not to exceed 1,500 dinars in a case of damage caused a vehicle and not to exceed 200 dinars per passenger in a case of a loss caused other baggage because of its damage, shortage, loss or lateness in delivery to the passenger.

The amount of the franchise shall be deducted from the level of the damages to which the passenger is entitled.

The provisions of this article shall not apply to valuables.

Article 629

The carrier relinquishes the right to take advantage of the limitation of liability provided for in Articles 626, 627 and 628 of this law if it is proven that the loss occurred because of an action or omission of the carrier either in the intention of causing the loss or out of extreme neglect when he knew that the loss was probable to occur.

Article 630

The carrier and passenger may expressly contract in writing a higher amount of limited liability than the amounts given in Articles 626, 627 and 628 of this law.

Article 631

Interest and costs of proceedings awarded a passenger in a suit for recovery for death or bodily injury of passengers, for damage, shortage or loss of baggage and for loss because of lateness in delivery of baggage to passengers shall be paid in their full amount and in addition to the amount which the carrier is required to pay under the provisions of Articles 626, 627, 628 and 630 of this law.

Article 632

If a complaint has been filed against persons who work for the carrier or actual carrier for recovery as covered by the provisions of this law concerning the carriage of passengers and baggage, those persons, if they were working within the limit of the duties they perform on board ship, may take advantage of the exclusion or limitation of liability which the carrier may invoke on the basis of the provisions of this law.

The persons referred to in Paragraph 1 of this article who work for the carrier or actual carrier may not invoke the limitation of liability referred to in Articles 626, 627 and 628 of this law if it is proven that

the loss occurred because of an action or omission of such persons either in the intention of causing the loss or out of extreme neglect in the knowledge that the loss was probable to occur.

The limits of liability which the carrier and passenger contract on the basis of the provision of Article 630 of this law shall not pertain to the persons referred to in Paragraph 1 of this article.

Article 633

The carriage of passenger and hand luggage shall include the time during which the passenger is on the vessel, the time during which the operations of embarking and disembarking passengers are being performed, and the time during which passengers are carried by water from shore to ship and ship to shore, if the price of that secondary carriage is included in the price of the ticket, or if the carrier is placing at the passenger's disposal a vessel which is used for that carriage. The carriage of a passenger shall not include the time during which the passenger is in the port terminal or any other equipment of the port on shore.

In addition to the time referred to in Paragraph 1 of this article, the carriage of hand luggage shall also include the time between the moment when the carrier receives the baggage on land or on board for safekeeping to the moment when he delivers it to the passenger.

Article 634

When grounds exist for application of the limits of liability referred to in Articles 626, 627, 628 and 630 of this law, those limits of liability shall apply to the total amount of damages which can be obtained on the basis of all suits filed on the basis of contract and other basis for recovery for death or bodily injury of passengers or for damage, shortage or loss of baggage or for lateness in delivery of baggage to the passenger.

When carriage has been performed by the actual carrier, the total amount of damages which can be recovered from the carrier or actual carrier and from persons working for them and who were performing their official duty may not be greater than the maximum amount of damages which can be sought either from the carrier or the actual carrier, provided that neither of these persons shall be liable beyond the limit which can be applied to him.

In all cases when persons for the carrier or actual carrier may under the provisions of Article 632 of this law invoke limitation of liability as provided for in Articles 626, 627 and 628 of this law, the total amount of damages which can be obtained from the carrier or possibly from the actual carrier and from persons working for them may not exceed that limitation.

Article 635

A passenger is required to send a written complaint to the carrier or his authorized representative:

- 1) if his baggage has suffered visible damage:
 - a) in the case of hand baggage--before or at the moment of its unloading;
 - b) in the case of other baggage--before or at the moment of its return;
- 2) if the damage suffered by the baggage is not visible or in case of loss of baggage--15 days from the date of disembarkation or return of the baggage or from the date when the baggage ought to have been returned.

If the passenger does not proceed in conformity with the provisions of Paragraph 1 of this article, it shall be assumed until proven otherwise that he has received the baggage in proper condition.

A written complaint is not required if the condition of the luggage is ascertained in the presence of both parties at the moment of its being taken.

Article 636

The passenger may declare that he regards the baggage lost if it has not been delivered within 30 days from the date of the voyage's completion.

Upon making the declaration under Paragraph 1 of this article the passenger has the right to demand that the carrier inform him of the baggage's discovery if it is found within 1 year from the date when damages are paid for loss of baggage.

Within 30 days from the date of receipt of notice of discovery of baggage the passenger may demand that the baggage be delivered to him and carriage expenses paid at a place which he designates.

The passenger who accepts baggage which has been found must return to the carrier the amount paid him as compensation for loss of the baggage, along with reduction of fare refunded to him, but he retains the right to compensation for lateness in delivery of baggage.

If the passenger has not presented this demand referred to in Paragraphs 2 and 3 of this article, the carrier has the right to freely dispose of the baggage.

Article 637

Any provision of a contract concluded before occurrence of a case which has caused death or bodily injury of a passenger or damage, shortage or loss of

a passenger's baggage or lateness in delivery of baggage to a passenger, the purpose of such provision to release the carrier from liability to the passenger or to fix a lower amount on the limitation of liability than the amount stated in the provisions of this law, except for the amount of limitation referred to in Article 628 of this law, or in order to transfer to another a burden of proof which lies on the carrier, shall be null and void.

The nullity of the specific contractual prohibition referred to in Paragraph 1 of this article shall not affect the validity of the other provisions of the contract.

Article 638

The provisions of Articles 619, 620, 621, 622 and 625 of this law shall apply to all demands based on contract or other grounds which on whatsoever basis have been lodged against the carrier for recovery for death or bodily injury of a passenger, for damage, shortage or loss of baggage and for lateness in delivery of baggage to the passenger.

Article 639

The carrier has the right to retain and sell baggage which has been delivered to him for shipment and valuables which he has received for safekeeping to satisfy his claims in connection with carriage of the passenger, his baggage and the safekeeping of valuables.

c) Towing and Pushing

Article 640

In a towage contract the carrier obliges himself to use his tugboat or pushboat to tow or push another vessel or craft to a particular place or for a particular time or for performance of a particular task, and the owner or operator of the craft being towed or pushed commits himself to pay the towage.

The amount of towage shall be fixed in the contract.

Article 641

It shall be assumed unless otherwise stipulated in the contract that in maritime shipping the towing shall be controlled by the master of the towed vessel, and in inland shipping by the master of the tugboat.

Article 642

In the context of this law:

1) towage begins:

i. in maritime navigation when on the order of the master of the towed vessel the tugboat is placed in towing position or when by order of the master of the towed vessel the tugboat passes or is passed the towing line, or when the pushing of the towed vessel begins or when performance of any other maneuver necessary to towing commences--depending on which occurred earlier;

ii. in inland navigation at the moment when by order of the master of the vessel controlling the towing operation passes or is passed the towing line;

2) towing ends:

i. in maritime navigation when the master of the towed vessel's final order is executed to cast off the towing line or when pushing or any other maneuver necessary to towing ceases--depending on which occurred later;

ii. in inland navigation at the moment of execution of the final order of the master controlling the towing operation that the towed vessel be anchored, cast off, or both anchored and cast off, or that the towed vessel be passed to another vessel, and, by order of the master of the vessel controlling the towing operation, the towing line is cast off;

3) pushing in inland navigation begins at the moment when by order of the master of the vessel controlling the pushing operation the pushboat is joined to the vessel it is taking in tow;

4) in inland navigation pushing ends at the moment when the pushed vessel anchors, is cast off or is turned over to an authorized person overseeing the safety of the vessel in the port or at anchorage.

Article 643

If a tugboat is towing a craft which has no crew, the owner or operator of the tug must take the customary steps in seeing that the seaworthiness of the towed craft is maintained in the condition in which he received it for towing.

The owner or operator of a tug in inland navigation must take care to preserve the cargo on the towed craft if the towed craft has no crew, and the owner or operator of a tug in maritime navigation must do so if he explicitly assumes such obligation.

The owner or operator of a tugboat may contract to carry cargo by towing with his own or another's vessel. In case of doubt it shall be assumed that a towage contract has been concluded.

The owner or operator of a tugboat who on the basis of Paragraphs 2 and 3 of this article is taking care of the cargo shall be liable for damage to the cargo under the provisions of this law which pertain to the carrier's liability for the carriage of goods.

Article 644

The provisions of this law concerning recovery because of a collision of ships shall apply to compensation for damage which occurs in a collision of vessels which are in a tow or between them and third vessels.

Article 645

If a towed vessel is endangered by circumstances for which the owner or operator of the tugboat is not liable under the towage contract, and the tugboat participates in the salvage operation, in case of successful salvage the owner or operator of the tugboat is entitled to a salvage award.

The owner or operator of the tugboat is not entitled to a salvage award if under the contract the towage includes the salvage award as well.

If towage was stipulated only for the case when the towage operation has been successfully performed, the owner or operator of the tugboat has the right to towage even when the towage service has not been successfully performed if he proves that the owner or operator of the towed vessel was to blame for the failure of the towage operation.

If towage was not made conditional on the success of the towage operation, the owner or operator of the tugboat is not entitled to towage if the owner or operator of the towed vessel proves that the owner or operator of the tugboat was to blame for the failure of the towage operation.

Article 646

The provisions of this law concerning general average shall also apply to relations between the tugboat and the towed vessel.

Article 647

A towing operation which begins and ends in Yugoslav seaports or in coastal waters of the Socialist Federal Republic of Yugoslavia (coastwise towage) may not be performed by foreign vessels without permission of the competent agency in the republic.

Article 648

The provisions of Article 640, Paragraph 2, and of Articles 643 through 647 of this law shall also apply to pushing.

d) Other Shipping Transactions

Article 649

The provisions of Articles 650 through 653 of this law shall apply to contracts concluded by client and shipowner or operator whereby the shipowner or operator commits himself to performing with his vessel some service which does not consist of towing or of the carriage of passengers, baggage or goods, and the client commits himself to pay a fee.

The contract referred to in Paragraph 1 of this article may also be concluded for a period of time.

Article 650

Unless otherwise stipulated in the contract, the shipowner or operator is liable for the vessel's seaworthiness under the provisions of Article 458, Paragraphs 2, 3 and 4, of this law.

Article 651

The shipowner or operator shall be liable for the actions and omissions of persons who in performance of the contract are working for the carrier as for his own actions and omissions unless the parties have contracted otherwise.

The provision of Paragraph 1 of this article shall not affect the provision of Article 650 of this law.

The carrier and persons working for the carrier shall be liable for the death and bodily injury of the client's personnel who are on the vessel as part of performance of the contract in conformity with the provisions of this law concerning liability for death and bodily injury of crew members.

Article 652

The provisions of Article 446 of this law shall also apply to contracts referred to in Article 649 of this law.

Article 653

The provisions of this law concerning freight for carriage of goods shall also be suitably applied to the contracts referred to in Article 649 of this law.

e) Carriage in Which Several Carriers Participate

Article 654

A contract of carriage of goods, passengers and baggage by sea or inland waters may provide that the carrier shall perform the carriage partially with his own vessel and partly with vessels of other carriers (through carriage).

A carrier who on the basis of a contract of through carriage of goods has received cargo shall issue a bill of lading or waybill for the entire route contracted for (through bill of lading or through waybill).

A carrier who has contracted for a through carriage of passengers shall issue the passenger a ticket for the entire route contracted for (through ticket).

A carrier who on the basis of a contract of through passenger carriage has accepted from the passenger baggage for carriage shall issue a baggage receipt for the entire route contracted for (through baggage receipt).

Every subsequent carrier enters into contract of through carriage of goods or baggage by accepting the cargo or baggage and the through shipping paper.

Every subsequent carrier enters into contract of through passenger carriage if he accepts for carriage a passenger bearing a through ticket.

Article 655

A carrier who has concluded a contract of through carriage, a carrier who has issued a through shipping paper, a carrier who has delivered cargo to the consignee and a carrier during whose carriage an event occurred which gave rise to a demand for recovery because of damage, shortage or loss of cargo shall be jointly and severally responsible for such claims to the authorized individual.

The carrier who concluded the contract of carriage and the carrier who delivered the cargo to the consignee shall be liable to the user of carriage for damage caused by lateness in the carriage of goods.

The provisions of Paragraphs 1 and 2 of this article shall also apply to through carriage of baggage.

Article 656

A carrier who has satisfied claims under the provision of Article 655 of this law has the right of reimbursement from the carrier during whose carriage the event occurred which gave rise to the claim.

If it cannot be established during which carrier's carriage the event referred to in Paragraph 1 of this article occurred, the amount of the discharged claim shall fall burden on the carriers which participated in through carriage in proportion to the share of each of them in the freight or fare contracted for except for carriers who prove that the event did not occur on portions of the route on which they performed carriage.

If the carrier who satisfied the claim is unable through no fault of his own to enforce the claim for reimbursement from the carrier during whose carriage the event occurred, the amount of the claim discharged shall fall burden on all carriers who participated in the through carriage in proportion to the share of each of them in the fare or freight contracted for.

Article 657

A carrier who participates in a through carriage and who on receipt of cargo did not mark on the through shipping paper objections in conformity with Articles 510, 511 and 520 of this law, must in relations with other carriers participating in that carriage prove that he delivered the cargo to the subsequent carrier or consignee the way he received it from the previous carrier or consignor.

Other carriers must prove to a carrier participating in through carriage and who has entered on the through shipping paper objections in conformity with Articles 510, 511 and 520 of this law that they received the cargo from the consignor or previous carrier as described in the through shipping paper.

Article 658

A carrier who has contracted a through carriage of a passenger shall be responsible for the entire route contracted for.

Every subsequent carrier participating in performance of through passenger carriage shall be liable to the passenger only for injury suffered on that portion of the route in which he performed carriage.

The carrier on whose portion of the route the damage occurred to hand baggage shall be liable for damage, shortage or loss of hand baggage. The passenger must submit to the carrier on whose portion of the route the damage occurred to hand baggage a written objection as provided for in Article 635, Paragraph 1, of this law no later than when the passenger disembarked from the vessel of that carrier.

The carriers referred to in Paragraphs 1 and 2 of this article shall be jointly and severally liable to recovery for death or bodily injury of passengers.

Article 659

If a carrier who has concluded a contract of through passenger carriage discharges a passenger's claim for which another carrier is liable on the basis of Article 658, Paragraph 2, of this law, he has the right of reimbursement from that carrier.

Article 660

Every separate agreement under which a carrier assumes obligations which have not been envisaged by this law or waiving rights which he has under this law shall have legal effect with respect to the actual carrier if he has given his express consent in writing.

Article 661

A carrier who has engaged an actual carrier for the entire carriage or a part of it shall be liable for the carriage as a whole.

The provisions of this law concerning through carriage of passengers (Articles 658 and 659) shall pertain to the actual carrier who has been engaged to perform carriage under the provision of Paragraph 1 of this article.

Article 662

A contract of carriage of goods and passengers may provide that a carrier who has concluded a contract of carriage shall engage the services of other carriers.

If a carrier commits himself in the context of Paragraph 1 of this article, he must find the appropriate carrier with due diligence and shall be liable to the passenger or shipper for his choice.

Article 663

If on the basis of Article 662 of this law carriage may also be performed with vehicles in land and air transportation, the provisions of this law shall apply only to carriage performed by water.

3. Demise Charter

Article 664

Under a demise charter in the context of this law the shipowner or operator furnishes the charterer a vessel for use, in exchange for payment of charter hire, in performance of shipping activity.

The provisions of this law concerning the demise charter shall also apply to a vessel which is social property unless federal law states otherwise.

Article 665

The demise charter party must be concluded in writing.

The demise charter party which is not concluded in writing shall be null and void.

Article 666

The shipowner or operator must furnish the charterer a vessel in condition so that it may be used for its customary purpose or the purpose covered by the charter.

Unless otherwise stipulated in the contract, the vessel shall be furnished without a crew.

Article 667

The charterer shall pay the expenses of the vessel's propulsion.

The charterer must maintain the vessel during the validity of the contract and after expiration of the contract return the vessel in the condition in which he received it and at that same place.

The charterer shall not be liable for the vessel's ordinary wear and tear.

The charterer shall not pay the expenses of repairing the vessel necessary to correct latent defects of the vessel which existed at the time when the vessel was turned over for his use, nor shall he suffer damages for loss of the vessel because of the effect of a vis major.

Article 668

The shipowner or operator shall be liable for damage resulting from defects making the vessel unfit or diminishing its fitness for the use stipulated in the contract or its customary use if such defects existed at the time when the vessel was furnished to the charterer unless he proves that he could not have detected those defects with the care of a diligent mariner.

Article 669

If the charter party calls for the vessel to be furnished with a crew, the crew must carry out the orders of the charterer.

The charterer has the right to change the crew.

Article 670

In case of doubt as to whether a contract has been concluded for lease of the vessel (demise charter) or a contract of carriage (time charter or voyage charter), it shall be assumed that the latter was concluded.

Article 671

The charter hire shall be paid by the month in advance, counted from the day when it begins to run.

The shipowner or operator shall not be entitled to charter hire during the time when the charterer is prevented from using the vessel through the fault of the shipowner or because of a latent defect of the vessel which existed at the time when the vessel was furnished to the charterer.

Article 672

If the charterer does not pay the hire when due, the shipowner may immediately demand collection of the hire stipulated for the entire duration of the demise charter, or he may cancel the contract.

The provision of Paragraph 1 of this article shall not affect the shipowner's right to recovery of damages.

Article 673

A demise charter may be concluded for a definite or indefinite time or for one or more voyages.

Article 674

A demise charter concluded for a specified time may be extended only by written agreement.

A demise charter concluded for an indefinite period may be canceled in writing with notice given at least 3 months in advance.

Article 675

The demise charter shall terminate in case of loss of the vessel, its permanent unfitness for use, and in a case of vis major which frustrates use of the vessel during the lease period.

If repairs to the vessel which are the responsibility of the shipowner take an excessive time or if it is envisaged that they will take an excessive time, the charterer may cancel the contract.

Article 676

If the charterer does not return the vessel to the shipowner following expiration of the demise charter, he must pay compensation at double the rate of the charter hire for the excess time.

If the charterer is to blame for lateness in returning the vessel, he shall also be liable to the shipowner for any injury beyond the amount specified in Paragraph 1 of this article.

Article 677

The award for salvage performed by the leased vessel during the demise charter shall go to the charterer.

Article 678

A charterer may sublet the vessel only on the basis of the shipowner's written consent.

4. Statute of Limitations

Article 679

Claims arising out of contracts concerning the use of vessels, except claims arising out of a contract of carriage of passengers and baggage, shall expire at the end of 1 year.

Claims arising out of contracts of carriage of passengers and baggage shall expire at the end of 2 years.

After a claim has arisen, the parties may conclude a written contract extending the statute of limitations beyond the period stated in Paragraph 1 of this article.

A contract as referred to in Paragraph 3 of this article and which has not been concluded in writing shall be null and void.

The period of the statute of limitations shall begin to run as follows:

1) under a contract of carriage of goods:

i. in case of recovery for damage, shortage or loss of cargo--from the date when the cargo was delivered or from the date when it should have been delivered at the destination;

ii. in case of recovery for lateness--from the date when the cargo was delivered;

iii. in a case when other contractual obligations were not discharged--from the date when the obligations should have been discharged;

2) under a contract of carriage of passengers:

i. in a case of recovery for bodily injury--from the date of the passenger's disembarkation;

ii. in a case of recovery for death of a passenger which occurred during carriage--from the date when the vessel reached or should have reached the port at which the passenger intended to disembark;

iii. in a case of recovery for bodily injury of a passenger which occurred during carriage and because of which death of the passenger ensued after his disembarkation from the vessel--from the date of the passenger's death, but the right to recovery is lost unless suit is filed for recovery for death or bodily injury of the passenger within 3 years from the date of disembarkation;

3) under a contract of carriage of baggage:

i. checked baggage--from the date when the baggage was delivered or should have been delivered in the port at which the passenger disembarked or intended to disembark;

ii. hand baggage--from the date of the passenger's disembarkation or in the case of the passenger's death occurring during carriage--from the date when the vessel reached or should have reached the port at which the passenger intended to disembark;

4) under a towage contract--from the date when towage was completed, except in the case of towage claims when the period begins to run from the date when the towage was due;

5) under a demise charter--from the date when the charter expired, except for charter hire claims when the period begins to run from the date when the hire was due;

6) demands for reimbursement--from the date when the action affording the right to reimbursement was done.

Chapter III. Contract Concerning Services Rendered by Shipping Agents

Article 680

In a contract concerning services rendered by a shipping agent the shipping agent commits himself on the basis of a general or special power of attorney to perform the services of a shipping agent in the name and on the account of the principal, and the principal obliges himself to reimburse the shipping agent for his expenses and pay him remuneration.

Article 681

A contract concerning the services of a shipping agent on the basis of a general power of attorney must be concluded in writing.

Article 682

The services of shipping agents are those of assistance, mediation and representation pertaining to navigation and use of vessels, and specifically the following services: reception and dispatch of vessels, conclusion of contracts concerning use of vessels, purchase and sale, construction and repair of vessels, insurance, furnishing crew and relations with the crew.

Article 683

On the basis of a general agency the shipping agent commits himself within a specified or indefinite period of time to perform one or several types of shipping agent's services contained in that power of attorney (general shipping agent).

In case of doubt about the limits of general agency, it shall be assumed that it pertains to the services of reception and dispatch of vessels.

If a shipping agent is exclusively engaged in mediation or representation in conclusion of contracts concerning the use of vessels, in a case of doubt about the limits of the general agency, it shall be assumed that it pertains to mediation in the conclusion of such contracts, but not including the contracts of demise charter and time charter for the whole vessel, but always within the realm of transactions in which the principal is engaged.

Article 684

If the principal limits the powers of a shipping agent pertaining to the customary services of a shipping agent, that limitation shall be null and void with respect to third parties who did not know of it nor under the circumstances need they have known of it.

Article 685

The shipping agent is obliged and authorized to use due diligence within the limits of his authority to perform the services necessary or customary to performance of the order received.

Article 686

On the basis of the express authority of the parties to the contract, the shipping agent may sign the contract concerning use of vessels in the name and on the account of both contracting parties.

Article 687

If the shipping agent explicitly does not state that he is acting as an agent, it shall be assumed that he is acting in his own name with respect to a person acting in good faith.

Article 688

The shipping agent has the right to reimbursement of expenses and remuneration for mediation and conclusion of contracts on the basis of the fact that the contract has been concluded.

Chapter IV. The Ocean and Inland Marine Insurance Contract

1. General Provisions

Article 689

The provisions of this chapter of the law apply to the following:

- 1) the insuring of the vessel, its machines, instruments, equipment and stores and goods and other articles being carried by the vessel or to be found on it;
- 2) insurance of freight, insurance disbursements, disbursement to equip the vessel, general average contributions, salvage awards, anticipated profit, commissions, wages of the crew, liens and other rights and material interests and benefits which exist or can be justifiably expected in connection with a vessel's navigation or carriage of cargo, and which can be given a money value;
- 3) insurance of liability for losses inflicted on third parties in connection with the the right of disposition or use of the vessel and other things enumerated under Point 1 of this paragraph which are socially owned or which are the property of natural persons or civil legal persons.

The provisions of this chapter of the law shall also apply to the insurance of vessels under construction and things intended for their construction, to insurance of things which before or after carriage by the vessel are in warehouses, storage areas or other places, or which are being carried by other means of transportation, to reinsurance of the subject matters cited in this article and to other similar types of insurance and reinsurance if they are concluded under policies or conditions which are customary for ocean and inland marine insurance.

The provisions of this chapter of the law shall also apply to mutual insurance of marine risks unless they contradict the nature of relations in that type of insurance.

The provisions of this chapter of the law shall also apply to the insurance of boats or small craft.

In the context of this chapter of the law the term "third parties" refers to persons who are not principals in the insurance contract.

Article 690

The insured may only be a person who has or can expect to have in the future a justifiable material interest that the case insured against not occur.

The insured may seek indemnity for a loss covered by insurance only if he had an interest in the subject matter insured at the moment when the case insured against occurred or if he acquired it thereafter.

Article 691

The policyholder may conclude an insurance contract on his own account, on the account of a particular third party or on the account of an unspecified party ("for the account of whom it may concern").

If it is not evident from the insurance contract that the insurance was written for the account of an unspecified person, it shall be assumed that it was written for the account of the policyholder or specified third person.

A person who has concluded an insurance contract as an agent acting expressly in the name and on the account of its principal shall not be regarded as a policyholder.

Article 692

Insurance written for the account of a particular third person but not by his order is valid if that third person (the insured) subsequently grants consent to the insurance contract.

Consent to an insurance contract in the context of Paragraph 1 of this article may also be given after occurrence of the loss covered by the insurance.

The filing of a claim for damages shall be taken as signifying consent of the third person to the insurance contract.

Article 693

Insurance for the account of an unspecified person shall be taken as written for the account of the person who has an interest in the insured subject matter at the moment when the case insured against occurs or who may

demand recovery for the loss incurred under Article 690, Paragraph 2, of this law.

Insurance concluded for the account of an unspecified person shall be valid if the person who has an interest in the subject matter insured at the moment when the case insured against occurs and who may seek recovery for loss occurred under Article 690, Paragraph 2, of this law possesses or comes into possession of the policy and if that person consents to the insurance contract.

Article 694

If the purchaser of insurance or his authorized representative does not give notice of all circumstances they knew of or should have known of at the time when the insurance was written, when such circumstances are significant to assessment of the degree of the risk, or if they have made erroneous declarations, the insurer has the right to demand of the purchaser of insurance that he subsequently pay the difference between the premium appropriate to the actual degree of the risk and the premium previously paid.

When insurance is written for the account of a particular third party it shall be assumed that the purchaser of the insurance should have known the circumstances known to the person whose name the policy is being written in and which he could have made known in time to the person taking out the insurance.

The provision of Paragraph 1 of this article shall not apply to circumstances which are generally known or which the insurer knew or which he justifiably could have been assumed to know.

The insurer relinquishes the right described in Paragraph 1 of this article if he does not seek payment of an additional premium from the person taking out the insurance within 3 months from perfection of the insurance or--if the case insured against has occurred--no later than full payment of the indemnity.

Article 695

If the person taking out the insurance or his authorized representative intentionally or from extreme negligence fails to make known to the insurer when the insurance is concluded all circumstances which they knew of or should have known of and which would essentially affect the decision concerning the writing of the insurance and the insurance term or if they make erroneous statements, the insurer has the right to seek voiding of this insurance contract if he has not requested from the person taking out the insurance that he subsequently pay the difference in premium under Article 694 of this law.

If under a contract concluded in this manner an insurer has paid indemnity to an unscrupulous insured, he shall have the right to seek recovery of the indemnity from the insured.

The provisions of Article 694, Paragraphs 2 and 3, of this law shall also be suitably applied to the cases referred to in Paragraph 1 of this article.

The insurer has the right to collect and retain the premium even if the insurance contract is voided under the provisions of this article.

Article 696

The insurer is required to issue to the insured at his request a properly issued and signed insurance policy.

If at the request of the insured an insurance policy is delivered which has been issued in two or more original copies, the number of original copies of the policy issued shall be stated on each such copy.

The policy should contain all provisions from the insurance contract establishing the insurer's obligation to indemnify the loss covered by the insurance.

If the policy has been issued and delivered to the insured, the insurer is not required to discharge his obligations contained in the insurance contract before the policy is submitted or, if the claimant establishes the likelihood that the policy has been lost or destroyed, before appropriate security is obtained from the claimant.

The insurer is released from his obligations under the insurance contract if he conscientiously makes payment to the policyholder; or, if the policy has been issued in several original copies, to the persons submitting one of the original copies who establishes the likelihood of his right to indemnity under that policy.

Article 697

The insured may convey his rights from insurance before a loss occurs only to a person who can be an insured under Article 690, Paragraph 1, of this law.

If a policy has been issued, assignment of the rights deriving from insurance shall be made by endorsing the policy or in some other appropriate way.

The insurer may impose on the new insured the same conditions from the insurance contract which he had with respect to the original insured.

As an exception to the provision of Paragraph 3 of this article the insurer may not impose a condition on a new insured in good faith which contests the content of the policy which he has issued except in the case of an obvious error which the new insured has noted.

Assignment of interest in an insured subject matter to another person does not automatically signify conveyance of rights from insurance unless there is an explicit or implicit agreement to that effect between the insured and the person acquiring the interest.

An insured may not convey his rights from insurance as described in Paragraph 1 of this article if the possibility of that conveyance has been explicitly excluded in the insurance contract.

Article 698

The subject matter insured must be indicated in the insurance contract and in the policy it issued in a manner which makes it possible to establish its identity.

If the subject matter insured is insufficiently or erroneously indicated so that it cannot be established even indirectly whether it has been exposed to the risk insured against and damage, the insurer is not required to reimburse the loss.

Article 699

The value of the subject matter insured which has been established by agreement in the insurance contract or in the insurance policy (agreed value) is binding on the insurer and the insured.

An insurer may dispute the agreed value only in the case of an obvious error or if it greatly exceeds the actual value of the subject matter insured, so that reimbursement of the loss on the basis of that value would afford the insured a sizable unjustified gain.

Article 700

The value of the insured subject matter at the commencement of insurance (actual value) shall be taken as its value unless the contract explicitly states otherwise.

The actual value of the subject matter insured need not be indicated in the insurance contract or policy.

Article 701

The insurer is required to indemnify loss covered by the insurance only up to the amount stated in the insurance contract (hereafter referred to as

the "amount of insurance") for which insurance was concluded unless this law or the contract states otherwise.

Unless the contract explicitly stipulates otherwise, the amount of insurance does not simultaneously represent the agreed value of the subject matter insured.

Article 702

If the amount of insurance is greater than the agreed or actual value of the subject matter insured, only the agreed or actual value of the subject matter insured shall be taken into account when a loss is being paid.

Article 703

If the amount of insurance is less than the agreed or actual value of the subject matter covered, the insurer is required to reimburse the loss incurred only in proportion to the ratio between the amount of insurance and the agreed or actual value of the subject matter insured.

Article 704

If the same subject matter has been insured against the same perils, for the same period of time and in favor of the same insured with two or more insurers, and the total amounts of insurance exceed the agreed or actual value of the subject matter, the insured may claim partial or full reimbursement of the loss covered from the insurer he chooses provided the total indemnities received do not exceed the amount of loss which can be covered by the insurance.

Insurers which in the cases referred to in Paragraph 1 of this article have indemnified a loss at the insured's demand have the right of reimbursement from other insurers in proportion to their obligations under the insurance contract.

As an exception to the provision of Paragraph 2 of this article, insurers who under the provisions of the insurance contract or by the law which applies to their insurance contract are not required under double insurance to reimburse a proportional share of the loss which other insurers have paid shall not have the right of reimbursement from those insurers for loss which they have directly paid to the insured.

Insurers have the right to the full premium for the insurance concluded regardless of whether the case referred to in Paragraph 1 of this article occurred accidentally or intentionally, unless otherwise stipulated in the contract.

On submitting a claim to one insurer the insured must inform him about all other contracts whereby the same subject matter is insured against the same perils for the same time in his favor.

Article 705

The insured is required to pay the insurer the premium immediately after the insurance contract is concluded, unless otherwise stipulated in the contract.

The insurer is not required to deliver the issued policy to the person taking out the insurance before that person has paid the premium due.

When reimbursing a loss the insurer may deduct from the indemnity a premium still owing to him.

Delinquency in payment of premium shall not relieve the insurer of his obligation under the insurance contract and shall not entitle him to cancel the insurance contract unless otherwise stipulated in the contract.

If an insurance contract is concluded with the provision that the insurance premium will be fixed subsequently, the amount of the premium shall be fixed in a reasonable amount in proportion to the degree of the risk.

The person taking out insurance must pay the insurer the premium for the insurance obtained even when the subject matter insured ceased to be exposed to the perils insured against before the insurance contract was concluded, provided that the insurer did not know of that at the time of concluding the insurance contract.

Article 706

The insurer is required to refund to the insured the premium collected if the subject matter covered has not been exposed to the perils insured against at all or if the insurance contract has been voided through no fault of the person taking out the insurance or the person to whom the insurance is made out.

If an insurance policy has been issued, the insurer must return the premium to the authorized policyholder.

When refunding the premium, the insurer may retain a portion of the premium in the customary or agreed amount to cover his costs related to the insurance that was written.

Article 707

In the case of insurance for a particular voyage, if through an action of the insured or with his consent there has been a substantial deviation from the voyage covered (change of voyage, detour, unjustified lateness, and so on), the insurer is not required to reimburse a loss incurred after that deviation.

The provision of Paragraph 1 of this article shall also apply when a loss has occurred after the vessel returned to the envisaged course.

Cases of deviation made in the interest of the insurer or in order to save property and life at sea and on inland waters and to offer medical aid and cases when deviations did not have substantial effect on the occurrence and size of the loss shall be exempted from the provision of Paragraph 1 of this article.

Article 708

In the case of time insurance the insurance shall begin to run from 0000 hours of the first day and terminate at 2400 hours of the last day envisaged in the insurance contract.

The time referred to in Paragraph 1 of this article shall be counted according to the official time of the place where the policy was issued; if there is no policy, then it shall be computed according to the official time of the place in which the insurance contract was concluded.

Article 709

Unless the insurance contract states otherwise, ocean and inland marine insurance shall cover perils to which the insured subject matter is exposed during navigation, as follows: perils of the sea, natural disaster, explosion, fire and piracy.

The insurance contract may also cover other perils which the insured subject matter is exposed to during the time of insurance, such as theft and non-delivery, perils in cargo handling, perils on land, war risks and political risks, and so on.

Article 710

A change of the perils after the insurance contract has been concluded shall not affect the validity of the insurance and the obligations of the parties when it has occurred independently of the will of the insured.

If by an action of the insured or with his consent there has been a substantial worsening of the peril, the insurer is not required to indemnify a loss which can be attributed to this change in the peril.

If because of an act by the insured or with his consent there has been an improvement of the risk, the insurer is not required to return to the insured a proportional share of the premium already collected nor to reduce proportionally the premium already contracted for.

Article 711

Unless otherwise stated in the contract, the losses occurring because of the perils insured against and covered by the insurance are as follows:

- 1) total loss of the subject matter insured;
- 2) partial loss and damage of the insured subject matter;
- 3) salvage expenses and expenses directly caused by occurrence of the case insured against;
- 4) general average;
- 5) salvage awards;
- 6) expenses incurred in assessing and indemnifying a loss covered by insurance.

Insurance shall not cover the insured's liability for losses incurred by third parties unless the insurance contract states otherwise.

Article 712

Insurance may also cover losses incurred before the insurance contract was concluded provided that at the moment when the contract was concluded the person taking out the insurance and the insured did not know nor should they have known that the case insured against had already occurred, or if at the moment when the contract was concluded both parties to the contract knew of the occurrence of the case insured against--under the provision that they did not know the extent of the loss incurred.

Article 713

Losses incurred indirectly or directly because of the insured's intentional act shall be excluded from insurance.

Unless an insurance contract states otherwise, losses incurred indirectly or directly because of the following are excluded from insurance:

- 1) the insured's extreme negligence;
- 2) intentional action or extreme negligence on the part of persons for whose actions the insured is liable under this law;
- 3) the occurrence of war and political risks.

The provisions of Paragraph 2 of this article shall not apply to losses incurred because of the intentional action or extreme negligence of the

crew of a vessel, nor to losses incurred because of actions and omissions of the insured who is the captain or other crew member of the vessel or pilot in the navigation and management of the vessel.

Article 714

A sinking when raising is impossible, destruction, disappearance or permanent seizure of the entire subject matter insured and such damage to the subject matter that it cannot be repaired and so that the subject matter insured ceases to be a thing of the particular kind shall be taken as a total loss of the subject matter insured.

In a case of total loss of the insured subject matter the loss shall be indemnified in the amount of its actual value or, if the value has been agreed on, in the amount of the agreed value, but not in excess of the amount of insurance.

By payment of the indemnity referred to in Paragraph 1 of this article all rights which the insured has to the subject matter insured pass to the insurer unless the insurer renounces those rights at the time.

If the subject matter of insurance has been underinsured, the rights to the subject matter insured shall pass to the insurer under the provision of Paragraph 3 of this article only in proportion to the ratio between the amount of insurance and the agreed or actual value of the subject matter insured.

Article 715

In a case of damage to the subject matter insured or loss of one of its components indemnity shall be made in the amount of expenses necessary for repair and to put the subject matter of insurance back into its original condition, but shall not exceed the amount of insurance.

If the subject matter of insurance has been underinsured, the costs of their repair referred to in Paragraph 1 of this article shall be reimbursed in proportion to the ratio between the amount of insurance and its agreed or actual value.

If the subject matter of insurance cannot be repaired and returned to its original condition, and in a case of loss of a certain amount or part of the subject matter insured (partial loss), reimbursement of the loss shall be made in a percentage of the loss of the value of the insured subject matter applied to the amount of insurance.

If the insured subject matter has been overinsured, the percentage of the loss of value under Paragraph 3 of this article shall be applied to its agreed or actual value.

Article 716

The insured's expenses in avoiding losses from an immediate danger or to reduce losses already incurred (salvage expenses) shall be reimbursed under insurance if they were incurred reasonably and in agreement with the insurer and if losses covered by the insurance were involved.

The expenses referred to in Paragraph 1 of this article shall be reimbursed from insurance regardless of the effective results even when together with reimbursement of the loss they exceed the amount of insurance.

The insured's expenses incurred immediately because of the occurrence of the case insured against shall be reimbursed from insurance only up to the amount of the insurance.

If the subject matter insured has been underinsured, salvage expenses and expenses incurred directly because of the occurrence of the case insured against shall be reimbursed in proportion to the ratio between the amount of insurance and the agreed or actual value of the subject matter insured.

As an exception to the provision of Paragraph 4 of this article, salvage expenses incurred at the request of the insurer in the face of the warranted objection of the insured shall be fully reimbursed regardless of provisions concerning underinsurance.

Article 717

In a case of general average occurring in relation to the perils covered by insurance reimbursement shall be made of losses and damage to the subject matter insured and the insured's expenses in connection with the subject matter which have been acknowledged in the final general average statement and contributions in general average which have been assessed on the subject matter insured in that general average statement.

In addition to the indemnity under Paragraph 1 of this article the insurer is required to furnish for the insurée the deposit which is sought for the subject matter insured in connection with the general average situation that has come about, under provision that at his request the insurée will for his part provide adequate surety.

The provisions of Articles 715 and 716 of this law shall be appropriately applied when the level of indemnity referred to in Paragraph 1 of this article is being determined, regardless of the value of the subject matter insured as ascertained in the final general average statement.

The insurer's payment of reimbursement for losses, damage and disbursements under Paragraph 1 of this article conveys to him the insured's right to a contribution from general average, but only up to the amount of the indemnity paid plus the appropriate amount of interest and commissions which are acknowledged in the final general average statement.

Article 718

Awards for salvage of the subject matter insured against perils covered by insurance which the insured is required to pay and expenses incurred in proceedings to establish the award shall be reimbursed from insurance.

If the subject matter is underinsured, the provisions of Article 703 of this law shall be applied to the reimbursement referred to in Paragraph 1 of this article regardless of the value which served as the basis for determining the amount of the salvage award.

Article 719

Disbursements of the insured which were necessary to determination and payment of damages covered by insurance shall be reimbursed from insurance in their entirety even in a case of underinsurance.

Article 720

The insured has the right to claim recovery from insurance as if a total loss had occurred under Article 714 of this law if total loss of the subject matter insured was inevitable or if the entire subject matter insured has been temporarily seized and cannot be returned to the insured within 6 months, and if the disbursements for salvage and expenses of repairs which need to made exceed the agreed or actual value of the subject matter insured.

The insured loses the right described in Paragraph 1 of this article if within 2 months from the date when he learned of the circumstances on which his right is based he does not submit a written claim with supporting arguments to the insurer or payment of indemnity under Paragraph 1 of this article.

The insured's claim under the provision of Paragraph 2 of this article should be without conditions and should pertain to the entire subject matter insured.

If the insurer honors the insured's claim when submitted under the provision of Paragraph 2 of this article, or if he does not contest it within 1 month from the date of receipt of the claim, the loss shall be indemnified under the provision of Article 714, Paragraphs 2, 3 and 4, of this law.

If the insurer contests the claim submitted under the provision of Paragraph 2 of this article and there is a dispute between the insurer and insured, the court shall evaluate whether the conditions referred to in Paragraph 1 of this article have been met on the basis of the circumstances which prevailed on the date when the insured files a claim under the provision of Paragraph 2 of this article.

Article 721

The insurer is required to indemnify successive losses which have occurred under the same insurance even when the total amount of indemnity for the covered losses exceeds the amount of insurance.

If after a partial loss or damage there should occur under the same insurance a total loss of the subject matter insured, in addition to indemnity for the total loss, the insurer is required to reimburse only those expenditures covered by insurance which the insured had in connection with the partial loss and damage.

Article 722

If specifically stipulated conditions essential to the decision to offer coverage in general have not been met, the insurer may seek cancellation of the insurance contract.

If specifically stipulated conditions significant only to the degree of the various risks and the size of the loss have not been met, the insurer may deduct from the indemnity that part of the loss which probably occurred because of the failure to meet those conditions.

Article 723

While the insurance is in force the insured is required to care for the subject matter insured with due diligence and not to do anything which would prevent exercise of the right to recovery from the person responsible for the loss.

Should the peril insured against occur, the insured is required to act as follows:

- 1) to take all reasonable steps necessary to avoid or diminish the loss--with the consent of the insurer if that is possible;
- 2) to report the loss incurred to the insurer or his authorized representative as soon as he learns of the loss;
- 3) to guarantee the right of recovery of the loss from the person responsible for the loss.

If while the insurance is in force the insured intentionally or from extreme negligence does not take care of the subject matter insured or does not discharge his duty as described in Point 1, Paragraph 2, of this article, the insurer is not required to reimburse the loss which occurred thereby.

If while the insurance is in force the insured intentionally or out of extreme negligence prevents the exercise of the right to reimbursement of the

loss from the person responsible for the loss or does not discharge his duties as described in Points 2 and 3 of Paragraph 2 of this article, the insurer may deduct from the indemnity an amount corresponding to the loss which he suffered thereby.

Article 724

When filing a claim for recovery the insured should at the insurer's request supply data and furnish available documents and other evidence necessary to ascertainment of the nature, causes and amount of the loss and other circumstances on the basis of which his right to indemnity can be established or at least made to appear probable.

If the insured intentionally or from extreme negligence omits in good time to ascertain the loss in the stipulated manner or, if there are no relevant provisions of the contract, in the customary manner, the insurer is required to reimburse the loss only if the insured submits convincing evidence of the nature, causes and amount of the loss and of the circumstances essential to ascertainment of whether the loss was covered by insurance.

Article 725

The insurer is required to pay indemnity within 1 month after the insured has filed the claim in conformity with Article 724 of this law along with all data and documentation whereby his obligation under the insurance contract is to be determined.

Article 726

If in an insurance contract concluded with several insurers their separate shares are indicated, each insurer shall be required to make indemnity only in proportion to his share.

Article 727

By virtue of payment of indemnity all rights of the insured toward third parties which have come about in connection with the loss for which the indemnity was paid shall pass to the insurer, but only up to the amount paid.

If the insured subject matter was underinsured, the rights of the insured referred to in Paragraph 1 of this article pass to the insurer only in proportion to the ratio between the amount of insurance and the agreed or actual value of the subject matter insured.

The insured is required to provide the insurer every aid at his request in enforcing rights toward third parties and to furnish him a properly drafted and signed document concerning the relinquishment of those rights.

Article 728

Claims arising out of an insurance contract expire in 5 years.

The period referred to in Paragraph 1 of this article begins to run as follows:

- 1) from the date when the insured is to pay the assessed contribution and award--in the case of a claim for reimbursement of general average contribution and salvage award;
- 2) from the date when the insured receives the claim of a third party for reimbursement of loss--in the case of claims for reimbursement for loss inflicted on third parties;
- 3) from the first day following the end of the calendar year in which the claim arose--on all other claims.

Article 729

The provisions of Article 690; Article 697, Paragraph 1; Article 704, Paragraph 5; and Article 713, Paragraph 1, of this law may not be altered even by explicit provisions of the insurance contract.

2. Hull Insurance

Article 730

Hull insurance covers the hull of the ship, its machines, instruments and equipment, ordinary stores of fuel, lubricants and other ship supplies and stores of food and drink necessary for the crew of the vessel.

Extraordinary stores of fuel, lubricants and other supplies, stores of food and beverage which do not serve the regular needs of the vessel's crew, and disbursements to equip and insure the vessel are covered by hull insurance only if explicitly stated in the contract.

Article 731

Voyage hull coverage begins from the moment the cargo is loaded in the port of origin stated in the insurance contract and lasts until loading of the cargo is completed in the port of destination stated in the contract, but not to extend longer than 21 days following the vessel's arrival in that port.

If before the cargo is unloaded in the context of Paragraph 1 of this article loading of cargo begins in the port of destination for a new voyage, coverage ceases when loading of the new cargo begins.

If cargo is not loaded in the port of departure, coverage begins when the vessel weighs anchor or casts off in that port to depart on the voyage covered.

If cargo is not unloaded in the port of destination, coverage ceases when the vessel anchors or ties up in that port.

If the voyage is interrupted before the port of destination, coverage ceases at the place where the voyage was interrupted, and the provisions of Paragraphs 1, 2 and 4 of this article shall be appropriately applied in that connection.

The vessel is also covered for emergency repairs of damage covered by insurance which are made without unjustified delay in a port of call or in the port of destination immediately following completion of the covered voyage if during that time the vessel cannot be used for commercial or other purposes.

Article 732

If a time policy for hull coverage expires while the vessel is on a voyage, coverage is extended to the first port of destination if the insured has not waived the extension before expiration of the period of coverage.

The provisions of Article 731 of this law shall be appropriately applied to expiration of insurance in the first port of destination.

Coverage is also extended during emergency repairs of damage covered by insurance which began during the period of coverage or immediately following it and have been made without unjustified delay if during that time the vessel could not be used for commercial or other purposes.

Should coverage be extended under the provision of Paragraph 1 of this article, the insurer has the right to an additional premium in proportion to the time for which coverage was extended.

Article 733

Hull insurance shall not cover losses incurred indirectly or directly because of a defect or the vessel's unfitness for navigation if the insured knew of such defects or could have known had he showed the diligence of a good shipowner and could have prevented their consequences.

The provision of Paragraph 1 of this article shall not apply to losses incurred because of a defect or the vessel's unseaworthiness of which the insurer has been informed or knew of in some other manner at the time when the insurance contract was concluded.

By unseaworthiness of the vessel in the context of this article is meant its general unfitness and also unfitness for the particular voyage and carriage which the vessel performs either because of technical shortcomings or because of its being underequipped, undermanned, because of excessive cargo or improperly loaded cargo, because more than the allowed number of passengers have embarked, or for other reasons.

Hull coverage provided in a time policy shall also exclude losses occurring indirectly or directly because of risks incurred outside the navigation area envisaged in the insurance contract.

Article 734

If a vessel has vanished, it shall be assumed that the total loss of the vessel occurred on the date of the last available news of it.

If together with the vessel certain disbursements were also insured under Article 730, Paragraph 2, of this law, the disbursements covered which the insured saved because of the vessel's loss shall be deducted from indemnity for total loss.

Article 735

If a damaged vessel is repaired or lost parts of the vessel's hull, machines, instruments, equipment or stores are replaced, indemnity shall be made for the loss in the amount of the actual disbursements necessary to repair the vessel or replace the parts, but not of losses because of the vessel's diminished value which occurred in spite of the repairs and replacement of parts.

If because of a vessel's repair or replacement of parts the vessel's actual value has increased considerably, the increased portion of the value coming about in that manner shall be deducted from the indemnity.

If a damaged vessel is not repaired or lost parts are not replaced during the period of coverage or immediately thereafter, and the insured files a claim for reimbursement of the loss before the repair or replacement is made, indemnity shall be paid for the loss in the percentage of the vessel's loss of value applied to the amount of insurance, but not to exceed the estimated cost of the vessel's repair or replacement of the vessel's parts.

3. Cargo Insurance

Article 736

In addition to the value of cargo at the point of origin, the cost of insurance, freight, customs and other costs related to carriage and delivery of goods and anticipated profit may be insured at a single value agreed

upon or, if a value has not been stipulated, at a single amount of insurance, and it is not necessary that the contract explicitly enumerate all those disbursements and anticipated profit which are covered by the same insurance contract.

Article 737

Cargo coverage for a particular voyage begins from the commencement of loading on the first conveyance at the place specified in the insurance contract in order to perform the voyage covered and extends until the cargo is unloaded from the last conveyance at the destination envisaged in the insurance contract.

If the voyage is interrupted at any place along the way, coverage ceases with the discharge of the cargo from the last conveyance at that point.

The provisions of this article shall not affect the provisions of Article 707 of this law with respect to deviation from the voyage covered.

Article 738

The insurance shall not cover losses incurred because of a defect in the goods or their natural characteristics unless otherwise stated in the contract.

The provision of Paragraph 1 of this article shall also apply to a case when a loss occurred through lateness of the conveyance occurring because of a peril covered.

Article 739

In case of a total loss of cargo indemnity shall be made for the value of the cargo at the point of origin and the value of other interests covered by the same agreed value or the same amount of insurance as referred to in Article 736 of this law.

If because of a total loss of cargo or for other reasons the insured has saved certain disbursements which were insured together with the value of the cargo at the point of origin, those disbursements averted shall be deducted from the indemnity for total loss.

Article 740

In connection with cargo insurance the percentage of loss of value as referred to in Article 715, Paragraph 3, of this law shall be established by comparing the value of the cargo in sound and damaged condition at the point where the covered voyage ends.

If damaged cargo is sold before arrival at the destination in agreement with the insurer so as to avoid greater loss, indemnity shall be made for the difference between the net proceeds obtained in the sale and the amount of insurance, or, if the cargo was overinsured--for the difference between the net amount of proceeds obtained from the sale and the agreed or actual value of the goods.

Article 741

If because of a case covered by insurance the cargo is unloaded from the vessel before the destination, under the provision of Article 716, Paragraph 3, of this law indemnity shall be made not only for the costs of unloading, but also the costs of storage and the additional costs of subsequent shipment of the goods to the destination for which the insured is liable.

Article 742

In addition to the cases referred to in Article 720, Paragraph 1, of this law, the insured is entitled to claim recovery under insurance when a total loss to insured cargo has occurred under the provision of Article 714 of this law in the following cases as well:

- 1) when during a voyage the vessel has become unseaworthy because a covered peril has occurred and the cargo could not be shipped to the destination within a period of 6 months thereafter or if the costs of shipping the cargo for which the insured is liable would be greater than the agreed or actual value of the insured interest in the cargo;
- 2) when cargo because of damage has lost four-fifths of its value, and cannot be repaired or restored to its previous condition;
- 3) when salvage expenses and costs of repairs and shipment of damaged goods to the destination which are necessary and for which the insured is liable exceed the agreed or actual value of the insured interest in the goods.

Article 743

If a sizable number of shipments sent in succession are covered by a single contract in which coverage is defined only in general outline (open insurance contract), the person taking out the insurance must subsequently report to the insurer all such shipments when they are shipped, including all data necessary to final determination of the obligations of the parties in conformity with the open insurance policy.

If an open insurance contract has not stated the breadth of coverage which is granted or the value at which the individual shipments are insured, the person taking out the insurance must make a declaration in that respect to the insurer, if possible before beginning of the voyage.

If the person taking out the insurance does not discharge his duty as described in Paragraph 2 of this article for certain shipments before occurrence of a loss or before completion of the covered voyage when there is no loss, it shall be assumed that those shipments were insured against the perils referred to in Article 709, Paragraph 1, of this law at the actual value under Article 700 of this law plus the amount of freight for which the insured is liable and insurance costs.

If the person taking out the insurance intentionally or out of extreme negligence fails to discharge his duty as described in Paragraph 1 of this article, the insurer is entitled to dissolve the open insurance contract and to refuse payment of indemnity for loss incurred by shipment not declared.

The insurer has the right to an insurance premium even on undeclared shipments if they have even briefly been exposed to the perils covered by the open insurance contract even in a case when the contract is dissolved under Paragraph 4 of this article.

At the request of the person taking out the insurance the insurer is required to deliver a policy as described in Article 696 of this law for each declared shipment.

4. Freight Insurance

Article 744

Freight insurance covers the gross amount of freight unless otherwise stipulated in the contract.

Article 745

In case of a total loss of freight because of total loss of cargo on which freight has been paid or was to be paid, the loss shall be indemnified under the provision of Article 714, Paragraph 2, of this law, except that the rights which the insured has to the cargo shall not thereby pass to the insurer.

Article 746

If freight paid or due on particular goods was insured, indemnity for loss resulting from the covered perils, if it cannot be established in another way, shall be established in the same proportion as indemnity of the loss to the cargo to which the freight pertains.

Article 747

Unless this law states otherwise, the provisions pertaining to cargo insurance shall be appropriately applied to insurance of freight on carriage of particular goods, and the provisions pertaining to hull insurance shall be appropriately applied to insurance of other freight.

5. Protection and Indemnity Insurance

Article 748

When the insured's liability for damage inflicted on third parties is being insured, indemnity shall be made for the amount which the insured is required to pay to such persons in connection with his liability covered by insurance, and he shall be reimbursed expenses necessary to establishment of the amount of his obligation.

Reimbursement shall also be made by the insurer for the expenses incurred in taking steps at the request of the insurer and his representatives or in agreement with them in order to afford protection against unjustified or exaggerated claims from third parties, and also expenses of reasonable steps which the insured has taken for the same purpose without the consent of the insurer or his representatives if such consent could not be obtained in time.

If the insurance contract states the amount at which liability is covered, the indemnity referred to in Paragraph 1 of this article shall be provided only up to the amount of insurance.

Article 749

If the shipowner's liability is covered by the same contract which includes hull insurance, the indemnity to be paid under protection and indemnity insurance as described in Article 748 of this law shall be afforded regardless of the amount of indemnity of other losses covered by hull insurance.

If the contract has not stated a separate amount to insure the carrier against liability, it shall be assumed that his liability is insured at the same amount as the vessel.

Article 750

In case of a collision between two vessels of the same insured, the provisions concerning insurance of the carrier's liability shall be applied as though the vessels belonged to different persons.

The provision of Paragraph 1 of this article shall also be appropriately applied when an insured vessel inflicts damage on other assets or property of the same insured.

6. Miscellaneous Insurance

Article 751

In a case of total loss of anticipated profit because of total loss of cargo, the loss shall be indemnified under the provision of Article 714,

Paragraph 2, of this law, except that the rights which the insured has in the cargo shall not pass to the insurer of the anticipated profit.

The provisions pertaining to cargo insurance shall be appropriately applied to insurance of anticipated profit in connection with the carriage of cargo.

Article 752

Insurance costs may be insured at a single agreed value; but if the value has not been stipulated in the contract, they may be insured under the same amount of insurance as the subject matter for whose insurance the payments were made or were owing, and it is not necessary that the insurance contract exclusively enumerate those costs.

Part Seven. Marine Disasters

Chapter I. Collision of Vessels

Article 753

The provisions of this chapter of the law shall apply to any craft regardless of its purpose, including as well a boat or seaplane on the water.

Article 754

The provisions of this chapter of the law shall apply to liability for a loss:

- 1) which a vessel, persons on a vessel or things on a vessel have suffered because of a collision;
- 2) which one vessel causes another vessel by virtue of a maneuver it performed or its failure to perform a maneuver or because of failure to abide by regulations concerning the safety of navigation, though a collision did not occur between the vessels;
- 3) which is caused by a vessel at anchor or inflicted on a vessel at anchor;
- 4) which vessels sailing in the same flotilla cause one another.

The provisions of Articles 850 through 866 of this law shall apply to liability for loss which was caused in a ship collision by the radioactive properties or simultaneously by radioactive properties and toxic properties or by explosive or other dangerous properties of nuclear fuel or radioactive properties of products or waste.

Article 755

The vessel through his fault the loss was caused shall be liable for the losses occurring in the cases enumerated in Article 754 of this law.

By liability of the vessel is meant the liability of the holder of the right of possession of the vessel, the shipowner and the ship operator.

Article 756

The liability of the vessel under the provisions of this chapter of the law shall also exist when the loss was caused by an action or omission of an action by a pilot even when the service of a pilot is mandatory.

Article 757

If a loss was caused through the fault of two or more vessels, each vessel shall be liable in proportion to its blame.

If the extent of blame cannot be established, liability of the vessel for the loss shall be divided in equal portions.

Article 758

When a loss is caused in a collision, indemnity shall also be made for lost income regardless of the extent of blame.

Article 759

If a collision has caused the death or bodily injury of any person, the vessel through whose fault the collision occurred shall be jointly and severally liable for recovery for death and bodily injury.

Article 760

If a collision occurred in the area of inland navigation or between inland vessels, the vessels through whose fault the collision occurred shall be jointly and severally liable to reimburse the loss caused the vessel which was not to blame for the collision and caused things on it.

Article 761

A vessel which in the cases referred to in Articles 759 and 760 of this law has paid a larger indemnity than the amount of its indemnity assessed on the basis of its share of the blame has the right to demand that the other vessel pay that amount of the disbursement which is that vessel's share of the indemnity assigned in proportion to its blame.

If for reasons beyond its control a vessel is unable to collect from another vessel or other vessels an amount to which it is entitled under Paragraph 1 of this article, it may demand collection of those amounts from other vessels at fault in causing the loss in proportion to the blame of each of those vessels.

Article 762

If a loss was caused by accident or vis major, or if the cause of the collision cannot be established, the injured party shall bear its own loss.

Article 763

The master of a vessel is required if possible to communicate to a vessel with which the ship under his command has collided the name and port of registration of the vessel he commands, the name of the last port he sailed from and the name of the port to which he is sailing.

The holder of the right of possession of the vessel, the shipowner and the operator of the vessel shall not be liable for recovery of loss caused by the master of the vessel through failure to discharge the obligation described in Paragraph 1 of this article.

Article 764

A claim for recovery of loss caused by collision shall expire 2 years from the date of the collision.

The right to reimbursement (Article 761) shall expire in 1 year.

After a claim has arisen, the parties may state in a written contract a longer period of limitation on action than the period set forth in Paragraphs 1 and 2 of this article.

The period of limitation on action referred to in Paragraphs 1 and 2 of this article shall begin to run as follows:

- 1) on the date when the court judgment establishing the amount of joint and several liability becomes final;
- 2) on the date of payment unless a court proceeding has been instituted;
- 3) on the date when the creditor learned of his debtor's inability to pay, provided that the period of limitation on action may not be longer than 2 years from the date of payment or from the date when the court judgment became valid in the case of a claim for distribution of the portion of a debtor unable to pay (Article 761, Paragraph 2).

Article 765

The provisions of this chapter of the law shall not affect the provisions of this law concerning limitation of the carrier's responsibility, nor the rights and obligations which arise out of a contract concerning use of vessels or any other contract.

Article 766

The provisions of this chapter of the law, except for the provision of Article 763, Paragraph 1, of this law, shall also apply to military vessels.

Chapter II. Salvage

Article 767

The provisions of this chapter of the law shall apply to the salvage of persons, vessels and things from such vessels at sea and on inland waters.

The rendering of aid is also included under salvage in the context of this law.

Article 768

The provisions of this chapter of the law shall apply to any craft regardless of purpose, including a boat or seaplane on the water.

The provisions of this chapter of the law shall also apply to military vessels.

As an exception to the provision of Paragraph 1 of this article, the provisions of Articles 778 through 781 and of Article 782, Paragraph 2, of this law shall not apply to military vessels.

Article 769

The salvage of persons shall not entitle to an award.

As an exception to the provision of Paragraph 1 of this article, if several salvors have participated in salvage and some of them have rescued persons, and others the vessel or things from the vessel, the salvor who rescued only persons shall be entitled to a fair share of the salvage award granted the salvor of the vessel and things from the vessel.

Article 770

The salvor shall be entitled to a fair award for every salvage of a vessel or things from a vessel which has yielded a beneficial result.

The amount of the award may not be greater than the value of the salvaged vessel or salvaged things.

Article 771

On the motion of a party the court may annul or amend a contract concerning salvage of a vessel or of things from a vessel in the following cases:

- 1) if the contract was concluded in a moment of danger and under the influence of danger and if the court ascertains that the provisions contained in the contract are not fair;
- 2) if it finds that the party was induced to conclude the contract by deceit or intentional concealment of facts;
- 3) if it finds that the award stipulated in the contract is excessively high or excessively low by comparison with the service rendered.

Article 772

If the parties have not concluded a contract concerning salvage of the vessel or things from the vessel, or if they have concluded such a contract, but they did not stipulate the amount of the salvage award, the court shall decide the amount of the award in case of disputes.

The court shall fix the amount of the salvage award by giving primary consideration to the success achieved, the efforts and deeds of those who performed the salvage operation, the danger in which the salvaged vessel, persons and property from the vessel and the salvors and their ship were in, the time taken, expenses, loss suffered, the salvor's risk of liability and other risks, the value of property placed at risk and the special equipment of the vessel which was the salvor, the value of the salvaged ship and of things from the ship, and the amount of freight.

The provision of Paragraph 2 of this article shall also apply when the court alters the amount of an award stipulated in a contract on the basis of Article 771 of this law.

Article 773

If there are several salvors, and the salvors have not agreed on the proportions in which they are to divide among themselves the award for salvage of the vessel or things from the vessel, that proportion shall be decided by the court, applying the provisions of Article 772 of this law.

Article 774

The court may reduce the award or decide that the salvor is not entitled to an award for salvage of the vessel or things from the vessel if the

salvors made the salvage operation necessary through their own fault or if in the salvage operation they committed theft, misappropriation or an act of deception.

Article 775

A salvor who has undertaken to salvage a vessel or things from a vessel against the explicit and reasonable prohibition by the master of the vessel or holder of the right of possession of the vessel or owner or operator of the salvaged vessel shall not be entitled to an award.

Article 776

If the salvage of a vessel and things from a vessel is done on the basis of a salvage contract concluded by the master of the vessel in danger, the salvage award must be paid by the operator of the salvaged vessel unless the contract provides otherwise.

If a salvage contract has been concluded, the holder of the right of possession or owner of the things salvaged or the persons who have the right to possess such things shall be jointly and severally responsible with the person obligated to pay the award for salvage of the vessel only concerning that portion of the award which pertains to those things.

If a salvage contract has not been concluded, the award for the salvaged vessel must be paid by the owner or operator of the salvaged vessel, and the award for the salvaged things must be paid by the holder of the right of possession of those things, their owner, or the person who has the right to dispose of them.

Article 777

If there are several salvors, each of them may also enforce a claim for salvage independently.

Article 778

The amount of a salvage award remaining after deduction of the amount of damage inflicted on the salvor's vessel during the salvage operation and of costs resulting from the salvage operation represents the net award.

A certain portion of the net award shall go to the crew of the salving vessel.

Article 779

A salvor may not waive that portion of the award which constitutes the share of members of the crew in that award without consent of the crew members of the salving vessel.

Article 780

Every member of the crew of the salving vessel, when 1 year has passed from the day when the salvage was done, may sue the operator of the salvaged vessel for a salvage award representing that portion which is his share in the award if the operator of the salving vessel has not within that period sued for payment of the salvage award.

Article 781

The provisions of this chapter of the law pertaining to the salvage award shall also apply when a salvage situation occurs between vessels of the same holder of the right of possession, the same shipowner or same operator.

Article 782

Claims for payment of a salvage award expire at the end of 2 years from the date when the salvage operation is completed.

Claims of crew members as referred to in Article 780 of this law expire after 1 year.

After a claim has arisen, the parties may stipulate in written contracts periods for the limitation on action which are longer than the periods given in Paragraphs 1 and 2 of this article.

Chapter III. Recovery of Sunken Objects

Article 783

The provisions of this chapter of the law shall apply to the recovery of ships, boats, other craft, airplanes, parts of the foregoing, and cargo and other property (hereafter referred to as "sunken objects") sunk in the coastal sea and inland waters of the Socialist Federal Republic of Yugoslavia.

Article 784

The provisions of this law which apply to salvage shall apply to the recovery of sunken objects during a rescue operation or during the danger in which the vessel found itself immediately before the salvage operation began.

Article 785

A sunken object may be recovered by a domestic or foreign person who has the right to possess that object (authorized person).

The agency responsible for the safety of navigation in a court may take steps to raise sunken objects lying where they represent an obstacle to shipping.

Article 786

If the agency referred to in Article 785, Paragraph 2, of this law does not know the identity of the person authorized to recover the sunken object (Article 785, Paragraph 1), or when it knows the identity of that person, but that person does not intend to recover the sunken object, or when the recovery operation already begun has been interrupted or abandoned without good cause, recovery of the sunken object may be undertaken by an authorized Yugoslav organization of associated labor.

It shall be assumed that the authorized person whose identity is known does not intend to undertake recovery of the sunken object or that it has interrupted or abandoned that recovery operation if within the period specified in law it does not file a declaration that it intends to recover the sunken object or if within the stated period it does not begin recovery or does not continue the work of recovering the sunken object which it has interrupted or abandoned without good cause.

It shall be assumed that the authorized person whose identity is not known does not intend to recover the sunken object if within the stated period he does not file an application for recovery and evidence of his right to recover the sunken object.

Article 787

If special nautical and technical equipment and special professional competence are required to recover the sunken object, and the domestic or foreign authorized person does not possess such equipment or competence, it may recover its sunken object from the coastal sea and inland waters of the Socialist Federal Republic of Yugoslavia only with the help of an authorized Yugoslav organization of associated labor.

As an exception to the provision of Paragraph 1 of this article, a foreign authorized person may be allowed to recover a sunken object only if it meets the conditions referred to in Paragraph 1 of this article or if it performs the operation with the aid of another foreign person meeting those conditions.

Article 788

An organization of associated labor or other legal person who has begun to recover a sunken object on the basis of Article 786 of this law may not interrupt or abandon that operation without good cause if the interruption or abandonment could cause injury to the authorized person.

Article 789

The holder of the right of possession of a sunken object which is social property shall lose the right to recover a sunken object if he does not recover it within 10 years from the date when it sank.

A sunken object which is covered by the right of ownership and which has not been recovered within 10 years from the date when it sank, shall become social property.

If the socially owned object referred to in Paragraph 1 of this article sank in the open sea, the right of possession of that object shall be acquired on the basis of the law of the republic of the sunken vessel's home port.

If it cannot be established when the object sank, it shall be assumed that the vessel, other craft, airplane or parts of the foregoing, cargo and other objects on them sank the day after the last news was received concerning the ship, craft or airplane, and in the case of other objects--that day when the position at sea or on inland waters where the object sank was determined.

Article 790

The person conducting operations to recover a sunken object on the basis of the decision of the competent agency under the provisions of Articles 785 and 786 of this law shall be liable for loss caused by his work if he does not prove that the loss could not be avoided with due diligence.

If the authorized person and the person conducting the operation do not stipulate otherwise in a contract, the provision of Paragraph 1 of this article shall also apply to the recovery of a sunken object which is done on the basis of a contract concluded between the authorized person and the person conducting the operation.

Except in the cases foreseen in Paragraphs 1 and 2 of this article, the person conducting the operation shall be liable for loss caused by the recovery of the sunken object unless he proves that the loss was concealed by the authorized person or person for whom he is responsible.

Article 791

The person conducting the operation has the right to an award for recovery of a sunken object.

The person conducting the operation shall not be entitled to an award for recovery of a sunken object if he undertook the recovery operation against the express prohibition of the authorized person.

Unless the parties stipulate otherwise in a contract, the award for recovery of a sunken object may not exceed the value of the sunken object.

The restriction provided for in Paragraph 3 of this article shall not pertain to an award for recovery or removal or destruction of a sunken object which was done on order of the competent agency (Article 785, Paragraph 2).

Article 792

The person conducting the operation, unless other stipulation has been made in the contract, shall hold a lien to the recovered sunken object as security of its award for recovery and safekeeping of the object and it may retain the sunken object until the holder of the right of possession or owner of the object pays that award.

Article 793

The right to claim an award for recovery, removal or destruction of a sunken object shall expire 3 years from the date when the recovery, removal or destruction of the sunken object was done.

Article 794

The decision of the competent agency ordering the recovery, removal or destruction of a sunken object owned by a foreign person shall be delivered to the Federal Secretariat for Foreign Affairs.

Article 795

Objects sunk within the areas of the coastal sea and inland waters of the Socialist Federal Republic of Yugoslavia and which have military importance may be recovered only with consent of the federal secretary for national defense and in the manner prescribed by the competent military agency.

The provision of Paragraph 1 of this article shall also apply to objects sunk in the coastal sea of the Socialist Federal Republic of Yugoslavia which are of significance or interest to national defense.

Chapter IV. General Average

1. General Provisions

Article 796

The provisions of this chapter of the law shall apply to reimbursement of loss which participants in a maritime venture have suffered from a general average act.

The provisions of this chapter of the law shall apply to maritime shipping unless the parties provide otherwise in a contract, and it shall also apply to inland shipping and seagoing boats if the parties have made express statements to that effect in a contract.

The provisions of Article 440 of this law shall apply to the definition of maritime and inland shipping as referred to in Paragraph 2 of this article.

Article 797

Certain of the expressions used in this chapter of the law are defined as follows:

- 1) a general average act is any intentional and reasonable exceptional expenditure and any intentional and reasonable sacrifice committed or caused by the master of the vessel or other person replacing him in order to save the property of the participants in a common maritime venture from a real danger threatening them all in common;
- 2) the holder of the right of possession of the vessel, the shipowner, the ship operator and person authorized to possess the cargo loaded on the vessel are participants in the maritime venture;
- 3) the maritime venture is the voyage of a vessel from the beginning of loading to the end of unloading the cargo of each individual participant in the venture;
- 4) the sum of the contributing interests is the property against whose value a contribution is made on the basis of the provisions of this law to reimburse the sacrifice or expenditures caused by the general average act;
- 5) the total general average expense is the sacrifice or expenditures caused by the general average act which on the basis of the provisions of this law are reimbursed from the sum of contributing interests;
- 6) the port of destination of the joint venture is the port in which the last part of the cargo which was on the vessel at the moment when the general average act occurred is discharged.

Article 798

Sacrifice and expenditure constituting general average shall be borne on the basis of the provisions of this law by all participants in the venture in proportion to the value of the property entering into the sum of contributing interests (Article 802, Point 1).

Article 799

Unless otherwise provided for by the provisions of this law or contract among the parties, sacrifices, losses and expenditures which are a direct or inevitable consequence of a general average act are recognized to be general average except for sacrifices, losses and expenditures which are not considered general average under generally accepted international maritime usages.

Sacrifices, losses and expenditures which do not meet the conditions in Paragraph 1 of this article shall also be recognized as general average if they are regarded as general average in general accepted international maritime usages.

Article 800

Any expenditure which by its nature is not a general average expenditure, but was incurred instead of some other expenditure which would have been recognized as general average had it been made, shall be regarded as general average and shall be so honored regardless of possible savings, but only to the amount of the general average expenditure which was saved.

2. General Average Contribution

Article 801

The duty of a general average contribution shall exist even when the loss or expenditure was caused through the fault of one of the participants in the maritime venture.

The provision of Paragraph 1 of this article shall not affect the rights of a participant in the maritime venture who contributed to general average toward persons who caused the loss or expenditure through their fault.

Article 802

Unless otherwise stated in this law, the following definitions shall apply:

- 1) the sum of contributing interests shall be made up of property saved by the general average act, the value of sacrifice property and the diminished value of damaged property;
- 2) the total general average expense shall be made up of the value sacrificed by the general average act and the diminished value of the property protected, as well as expenses regarded as general average, including expenses of the general average adjustment.

Article 803

The following exceptions shall be made to the provisions of Article 802 of this law:

- 1) articles for the personal use of the crew and passenger baggage on which neither a baggage receipt nor bill of lading shall not be included in the sum of contributing interests;
- 2) the loss of jettisoned cargo which was not stowed on the vessel in conformity with recognized usages, cargo loaded without the ship operator's

knowledge and cargo that was deliberately labeled erroneously shall not be included in the total general average expense.

If cargo loaded without the ship operator's knowledge or deliberately described erroneously has been saved, that cargo shall be entered in the sum of contributing interests.

Article 804

The value of property included in the total general average expense and in the sum of contributing interests, exclusive of expenditures, shall be determined according to value at the time and in the port where the common venture ends, unless otherwise treated in this law.

Expenses shall be fixed according to the amount in which they were actually incurred.

Article 805

Costs of ship repairs included in the total general average expense are not subject to deduction on the principle of "new for old" when old material or parts are replaced by new ones unless the vessel is more than 15 years old, in which case one-third is deducted. Deductions are determined according to the age of the vessel, counted from 31 December of the year in which the vessel was built and ending with the date of the general average act, except for isolation devices, lifeboats and similar small craft, communication and navigation devices and equipment, machines and boilers on which deductions shall be determined according to the age of the individual parts to which the deductions pertain.

Deductions shall be computed only against the price of the new material or parts after they have been made and prepared to be installed or mounted on the vessel.

No deduction shall be made against food, stores, anchors and anchor chain.

Fees and charges for docks and ways and expenses of placing the vessel on the ways shall be honored in their entirety.

Expenses of cleaning, painting and coating the bottom of the vessel shall not be recognized in general average unless the bottom was painted or coated within 1 year before the general average act, in which case half of these expenses shall be recognized.

No deductions on the principle of "new for old" shall be made against provisional repairs.

Article 806

In a case of the total loss of a vessel, the amount to be included in the total general average expense shall be determined according to the vessel's estimated value and damage, from which a deduction is made for the estimated amount of costs to repair the damage not included in general average and possible proceeds obtained from sale of the wreck.

Article 807

The value of damaged cargo to be included in general average is determined on the basis of the cargo's value at the time of discharge as established on the basis of the commercial invoice delivered to the consignee or, if there is no such invoice, on the basis of the value at the time of loading.

Insurance and freight costs shall be included in the value of cargo at the time of loading unless the risk of loss of the freight is not borne by persons who have an interest in the cargo.

If this damaged cargo has been sold, the loss shall be determined according to the difference between the net amount of the proceeds and the net value of the cargo in its sound condition on the last day of unloading in the port of destination or on the date of the venture's completion, if the venture ended in another port.

As an exception to the provision of Paragraph 1 of this article, damage or loss caused cargo whose value was inaccurately declared at the time of loading at a lower value than the value referred to in Paragraph 1 of this article shall be fixed according to that declared value.

Article 808

If sacrificed property has been subsequently salvaged, its value shall be determined on the basis of the market price on the date of salvage in the place where it was salvaged, and necessary and efficacious salvage expenses shall be deducted from that value.

The provision of Article 807, Paragraph 2, of this law shall be appropriately applied to the cargo referred to in Paragraph 1 of this article.

Article 809

A commission of 2 percent of general average expenditures shall be included in the total general average expense, but shall not be applied to expenditures for personal incomes and maintenance of the crew nor for fuel, lubricants and supplies which have not been replenished during the voyage. If the amounts necessary for those expenditures have not been obtained from any of the participants in the maritime venture, but have been obtained by the sale of cargo, the expenditure caused in the procuring of the necessary

amounts or the loss suffered by the person authorized to possess the cargo sold for that purpose shall be included in the total general average expense.

Article 810

Interest shall be recognized on the amounts included in the total general average expense at 7 percent per annum up to the date of the general average adjustment.

On the date of the general average adjustment the creditor has the right to compute interest in accordance with regulations.

Article 811

The value included in the sum of contributing interests shall be as follows:

- 1) for the vessel--the net value at the end of the maritime venture, except that in determination of this value more favorable or less favorable effect of a demise charter or time charter in force with respect to that vessel shall not be taken into account;
- 2) for the cargo--the value under the provision of Article 807, Paragraph 1, of this law, except that every loss or damage affecting the cargo before or after unloading shall be deducted from the value determined in that way;
- 3) for the freight--the amount of freight, except that deductions shall be made from that amount for all expenditures, including personal incomes of the crew which would not have then occurred for the freight had the vessel and cargo been totally lost at the moment of the general average act, but which have not been honored as general average;
- 4) for the total general average expense--the amount established under the provisions of Articles 805 through 808 of this law.

A deduction is made from the value referred to in Paragraph 1 of this article for additional expenditures incurred in connection with the values included in the sum of contributing interests after the general average act, except expenses honored as general average.

When the cargo is sold before the destination, it shall contribute to general average on the basis of the actual net proceeds obtained from its sale. The amount recognized as general average shall be added to that amount.

Article 812

The amount recognized as general average for damage or loss of the vessel or parts of it caused by a general average act is as follows:

1) in the case of a repair or replacement of parts--the actual reasonable expense of a repair or replacement or loss, after deduction according to the provision of Article 806 of this law;

2) in another case than the repair or replacement of parts--reasonable reduction of value resulting from the damage or loss, but not to exceed the estimated costs of repairs.

When a vessel is a total loss, or when the costs of repair exceed the value of the vessel after its repair, the amount recognized as general average is the difference between the estimated value of the vessel in sound condition minus the costs of repairs not recognized as general average and the estimated value of the vessel in its damaged condition. This value may be determined on the basis of the net proceeds obtained from the sale if the vessel has been sold.

Article 813

The operator has the right to retain the cargo which on the basis of Article 802 of this law is part of the sum of contributing interests until he receives security that the debtor will pay him his share of the contribution assessed him in general average.

The operator must also retain the cargo or obtain equivalent security for the claims of other participants in the marine venture and he must act with due diligence in the protection of those interests.

If the operator does not act in accordance with the provision of Paragraph 2 of this article, he is required to pay the part of the contribution for which the creditor in general average proves that he has been unable to collect it from the person authorized to possess the cargo.

The provisions of Paragraphs 1, 2 and 3 of this article do not affect the right of the carrier and other participants in the maritime venture to obtain reimbursement for the amount paid from the person authorized to possess the cargo to whom the cargo has been delivered though security was not obtained.

Article 814

A creditor in general average who does not obtain security that his claim will be settled has the right to arrest the vessel and cargo in order to collect his claim.

3. Procedure in Adjustment of General Average

Article 815

The procedure of general average adjustment is conducted by the general average adjuster (hereafter referred to as the "adjuster") on the basis of the provisions of this law.

Article 816

The adjuster must be a person equipped and authorized to perform adjustment of general average.

Article 817

The carrier is authorized to appoint the adjuster to adjust a general average up until the end of the statute of limitations stated in Article 832 of this law. Within that period the carrier is required to notify the court referred to in Article 827, Paragraph 2, of this law concerning appointment of the adjuster.

If the carrier does not act in accordance with the provision of Paragraph 1 of this article within 30 days from the date of the vessel's arrival at the port where the common venture ends, every participant in the maritime venture in which the general average occurred has the right to seek that the court name an adjuster up to the end of the statute of limitations.

Every participant in the common venture has the right within 10 days of receipt of the report concerning appointment of the adjuster to file an objection to appointment of the adjuster with the court referred to in Article 827, Paragraph 2, of this law. The court shall rule on this objection according to the rules valid in ruling on objections to appointment of court experts.

Article 818

The adjuster shall compile a general average statement for adjustment of the general average.

Article 819

A party in a proceeding for adjustment of general average must at the adjuster's request make available the documents and other evidence which the adjuster seeks.

Article 820

After obtaining information on the basis of Article 819 of this law, the adjuster shall draw up the general average statement.

If within 60 days or a longer period as fixed by the adjuster the party does not make available to the adjuster the data and documents he seeks, the general average statement shall be drawn up on the basis of the information available to the adjuster.

The adjuster shall draw up the general average statement at his own domicile.

Article 821

The general average statement shall consist of a list of the contributing interests and of total general average expenses, values of their individual items, their total values, the percentage of the contribution and amount which each participant in the venture is due to pay as general average contribution.

Each participant in a maritime venture in which there has been general average has the right to request from the adjuster arguments supporting the share of the adjustment which pertains to him.

Article 822

The general average statement shall be delivered in the number of copies that corresponds to the number of participants in the maritime venture.

If the number of participants in the maritime venture is large, the general average statement shall be delivered only to the carrier who appointed the adjuster or to that participant in the maritime venture who first petitioned the court to name an adjuster (Article 817, Paragraph 2). In such case the general average statement shall be accompanied by an abstract from the general average statement for each other participant in the maritime venture concerning his portion.

The abstract from the general average statement shall contain the total value of the general average expenses and the sum of contributing interests, the percentage of the contribution, the value of the property of that participant taken for purposes of computation of the contribution, and the amount which that participant is due to pay as general average contribution.

Article 823

Within 30 days of receiving the general average statement or abstract from the general average statement under the provision of Article 822, Paragraph 2, of this law, the participant in the maritime venture has the right to file an objection to the general average statement.

The general average statement and abstract from the general average statement must contain a notice concerning the right of the participant in the maritime venture to file an objection under Paragraph 1 of this article.

Article 824

The adjuster shall rule on the objections received and shall draw up the final general average statement under the provision of Article 821 of this law.

Article 825

The final general average statement or its abstract shall be delivered to the participants in the maritime venture under the provision of Article 822 of this law.

Article 826

If within 30 days of receipt of the final general average statement or its abstract no participant in the maritime venture files with the court an objection as described in Article 827 of this law, the final general average statement shall acquire the force of an executive writ.

The adjuster and any participant in the maritime venture may petition the court to confirm the executive nature of the final general average statement.

Article 827

Within 30 days of receipt of the final general average statement a participant in the maritime venture has the right to file with the court an objection against the final general average statement.

An individual judge of the court with jurisdiction as to subject matter shall sit alone in conducting the nontrial proceedings of examining the protest against the final general average statement. Unless otherwise provided for in this law, the provisions of the Law on Procedure in Civil Actions shall be appropriately applied in the proceeding referred to in Paragraph 2 of this article.

Examination of objections filed against a final general average statement shall be done in a hearing for examination of objections.

All participants in the maritime venture have the right to participate in the hearing as principals.

The absence of the principals from the hearing shall not prevent the court from holding the hearing.

The court shall summon the principals present at the hearing to state their positions concerning the objection.

It shall be assumed that principals not attending the hearing do not honor the objection.

Article 828

If an agreement is reached in the hearing for examination of an objection concerning the content of the contested final general average statement or the disputed part of it, the general final average statement or its part as established by the agreement shall take on the force of an executive writ.

If an agreement is not reached in the hearing for examination of an objection among all participants in the maritime venture, the court shall render a decision referring the person filing the objection to file suit within 30 days from delivery of the decision for establishment of the justifiability of the objection against the participants in the maritime venture whose rights his objections pertain to.

If the person who filed the objection does not act in accordance with the court's decision within the period referred to in Paragraph 2 of this article or if he withdraws a complaint already lodged, it shall be assumed that he has renounced his objection.

At the request of any of the participants in the maritime venture the court shall issue a confirmation concerning the executive nature of that portion of the final general average statement which has not been contested by objections filed even before the verdict enacted in the civil action instituted on the basis of the complaint referred to in Paragraph 2 of this article becomes final.

Article 829

The court with competent jurisdiction over the court referred to in Article 827, Paragraph 2, of this law shall be the only court with jurisdiction as to place to try the actions referred to in Article 828 of this law.

If a valid judgment is rendered in the civil action instituted under the provision of Article 828, Paragraph 2, of this law to the effect that the objections were not justified, the disputed final general average statement or its disputed portions shall take the force of an executive writ.

If it is found in the civil action referred to in Article 828, Paragraph 2, of this law that the objections are altogether or partially justified, the court trying the civil action shall deliver its judgment after it becomes valid to the court referred to in Article 827, Paragraph 2, of this law for purposes of drawing up a new general average statement.

Objections as to the existence of a claim, its amount or concerning a general average contribution may not be made in the proceeding referred to in Paragraph 3 of this article.

If specialized knowledge lacking to the court is necessary in order to prepare a proposed amendment of the final general average statement, the court may commission an expert to prepare the proposed amendment of the final general average statement.

Article 830

In the general average settlement proceeding a foreign shipowner may appoint as adjuster a foreign natural person who is authorized to adjust general average according to the statutes of the country of his domicile.

Article 831

No appeal by the parties is allowed in the proceeding of general average adjustment.

4. Limitation on Actions

Article 832

A claim for payment of a general average contribution shall expire at the end of 1 year from the date when the vessel reached the last port of the joint venture during which the event occurred on which the demand for general average contribution is based.

The period of limitation on actions pertaining to the claim referred to in Paragraph 1 of this article shall not run between the day when the carrier appointed the adjuster or from the date when another participant in the maritime venture petitioned the court to appoint an adjuster on the basis of Article 817 of this law and the day when the final general average statement became valid.

Chapter V. Carrier's Noncontractual Liability

1. General Provisions

Article 833

The provisions of this chapter of the law shall apply to injury in a non-contractual relation which the vessel inflicts on persons and property outside the vessel and on the environment.

As an exception to the provision of Paragraph 1 of this article, the provisions of this chapter of the law shall not apply to a collision of ships nor to nuclear damage.

Article 834

The provisions of this chapter of the law shall apply to boats and all other craft regardless of size and purpose and also to seaplanes on the water.

The provisions of this chapter of the law shall also apply to military vessels except for the provisions of Articles 840 through 849 of this law.

2. Liability for Death and Bodily Injury

Article 835

The holder of the right of possession of the vessel or the shipowner and carrier and person steering the vessel at the moment of the incident shall be liable for the death and bodily injury of swimmers and other persons in the sea, as follows:

- 1) if the death or bodily injury was caused in an area declared to be a swimming area or in which navigation is prohibited--unless he proves that the victim caused the injury by his own intention or through gross negligence;
- 2) if the death or bodily injury was caused in the zone of coastal waters within 150 meters from the shore, when that zone is not included in an area as referred to in Points 1, 3 and 4 of this paragraph--unless he proves that the death or bodily injury was caused by a vis major or fault of the victim;
- 3) if the death or bodily injury was caused in ports, at entrances to ports, on customary waterways, in an area used exclusively for boating and similar navigation (such as rowing and sailboat regattas, water skiing, etc.) and in an area more than 150 meters from the shore, but not an area as referred to in Point 4 of this paragraph--if it is proven that the vessel was at fault for the death or bodily injury;
- 4) if the death or bodily injury was caused in an area in which certain modes or means of navigation are prohibited (use of a hydrofoil craft in the lift position, water skiing, speed limits), and the death or bodily injury has occurred during the violation of the prohibition against a particular mode or particular means of navigation.

The law may widen or narrow the zone of coastal waters defined in Point 2 of Paragraph 1 of this article.

The holder of the right of possession of the vessel or the shipowner and operator are not liable in the case referred to in Paragraph 1 of this article if their vessel has been unlawfully taken from them.

In the case referred to in Paragraph 3 of this article liability shall be borne not only by the person steering the vessel at the moment of the event, but also by the person who unlawfully took the vessel.

Article 836

The provisions of Article 835, Paragraph 1, Points 1, 3 and 4, and Paragraphs 3 and 4, of this law shall also apply to inland navigation.

The law may define a zone measured from the shore in which the carrier, holder of the right of possession of the vessel or shipowner and person steering the ship at the moment of the event shall be liable for death or bodily injury of a person in the water unless they prove that the death or bodily injury was caused by the victim.

3. Liability for Damage to Property and Pollution of the Environment

Article 837

The provision of Article 823 of this law shall apply to the damage a vessel causes floating objects (channel markers, mooring buoys, underwater cables, pipelines, etc.).

Article 838

Excepting damage referred to in Article 840 of this law, the provisions of Article 23 of this law shall also apply to damage caused by a boat by discharging substances dangerous and harmful to the environment (oils, waste liquid fuels and their mixtures, waste water, other waste substances and other similar things).

Article 839

For vessels, hydrofoil craft and inland service craft the limitation fund for the damage referred to in Article 838 of this law shall be twice the amount referred to in Article 381, Paragraphs 1 and 2, of this law.

The limitation fund referred to in Paragraph 1 of this article shall be used exclusively to satisfy creditors who suffered damage from the event for which the fund was established.

4. Liability for Pollution Caused by a Maritime Vessel Discharging Oil Being Carried as Cargo

Article 840

The holder of the right of possession of the vessel or shipowner shall be liable for damage caused by a maritime vessel carrying oil as a bulk cargo which discharges or ejects that oil unless he proves that the discharge or ejection of the oil was caused as follows:

1) by war, by hostilities, by a civil war, by a rebellion or by a natural phenomenon of exceptional, unavoidable and overwhelming importance;

2) exclusively by the action or omission of a third party with the intention of causing damage;

3) exclusively by the action or omission of an agency or organization concerned for the safety of navigation in performance of that function.

If the holder of the right of possession of the vessel or shipowner proves that the damage was altogether or partially caused by the victim, the court shall release him completely or partially from liability for reimbursement of damage suffered by that person.

A demand for recovery as referred to in Paragraph 1 of this article may not be filed against crew members of a vessel and other persons working on the carrier's behalf.

The provision of Paragraph 3 of this article shall not affect the right which the holder of the right of possession of the vessel or shipowner has for reimbursement from the persons who caused the damage.

Article 841

If oil has been ejected or discharged from two or more vessels, and it is not possible to establish the portion of the damage caused by the different ships, the holders of the right of possession of the vessels or shipowners of those vessels shall be jointly and severally responsible for the damage.

The provision of Paragraph 1 of this article shall not affect the provisions of Article 840 of this law.

Article 842

The holder of the right of possession of the vessel or shipowner may limit his responsibility for the damage referred to in Article 840 of this law to the amount stated in Paragraph 2 of this article by establishing a limitation fund pertaining to damage caused by ejection or discharge of oil.

The holder of the right of possession of the vessel or shipowner may limit his liability for the damage referred to in Article 840 of this law to the total amount of 2,960 dinars per case and per ton of the vessel, provided that the total amount does not exceed 310.8 million dinars in any case.

The holder of the right of possession of the vessel or shipowner may not restrict his liability under the provisions of Paragraphs 1 and 2 of this article if the event causing the damage occurred through his personal fault.

Article 843

The holder of the right of possession of the vessel or shipowner may obtain reimbursement from the limitation fund referred to in Article 842 of this law for expenses which he has voluntarily undertaken as a reasonable means of avoiding or reducing pollution.

Article 844

The provisions of Article 380 of this law shall apply to determination of the tonnage of the vessel under Article 842 of this law.

In the case of a vessel whose tonnage cannot be established under the provision of Paragraph 1 of this article, its tonnage, for purposes of applying the provisions of Articles 840 through 849 of this law, shall constitute 40 percent of the capacity of ship space intended for carriage of oil as cargo.

One ton of capacity in the context of Paragraph 2 of this article shall represent 1,016 kilograms.

Article 845

The limitation fund referred to in Article 842 of this law may also be established by an insurer or other person who has pledged financial security under Article 81 of this law.

Establishment of the fund under Paragraph 1 of this article shall have the same legal effect as establishment of the fund by the holder of the right of possession of the vessel or shipowner.

The fund referred to in Paragraph 1 of this article may also be established when the damage has been caused through the personal fault of the holder of the right of possession of the vessel or shipowner, but this shall not affect the victim's rights toward holders of the right of possession of the vessel or the shipowners.

Article 846

A vessel carrying as cargo more than 2,000 tons of oil must have insurance or must provide other financial guarantees such as posting a bond in a bank or obtaining a certificate from one of the international funds for reimbursement of damage up to the amount of the limited liability envisaged by Article 842 of this law in order to cover liability for oil pollution damage.

The insurance or other financial bond referred to in Paragraph 1 of this article must be unconditional and irrevocable.

The validity of the insurance or other financial bond may not expire before the end of 3 months from the date when the agency in the republic competent for maritime shipping was notified that the insurance or other financial bond would lose its validity unless at the same time one insurance or financial bond was replaced by another.

Article 847

Suit for recovery for pollution damage may be filed directly against the insurer or other person acting as financial surety under Article 846 of this law.

The insurer or surety may make all answers against the plaintiff which the holder of the right of possession of the vessel or shipowner might employ except the answers of bankruptcy or liquidation.

As an exception to the provision of Paragraph 2 of this article, the insurer surety may employ the answer that the pollution damage was caused by the intentional act of the holder of the right of possession of the vessel or shipowner.

The insurer or surety has the right to demand that the holder of the right of possession of the vessel or shipowner be joined in the proceedings as a necessary party.

Article 848

The competent Yugoslav court has exclusive jurisdiction over division of the limitation fund established in the Socialist Federal Republic of Yugoslavia.

Article 849

The right to recovery for damage under the provisions of Articles 840 through 848 of this law shall expire at the end of 3 years from the date when the loss occurred.

The right to recover for loss under the provisions of Articles 840 through 848 of this law shall be extinguished if a complaint is not filed within 6 years from the date of occurrence of the event causing the loss.

When an event has occurred on several occasions, the period of 6 years referred to in Paragraph 2 of this article shall begin to run from the date when the event began.

Chapter VI. Liability of the Operator of a Nuclear Vessel

Article 850

Certain expressions used in this chapter of the law are defined as follows:

- 1) the operator of a nuclear vessel is the person whom the government has authorized to use a nuclear vessel or the government which itself uses that nuclear vessel;
- 2) nuclear damage is damage caused by loss of life or any bodily injury of a person or loss or damage of property occurring because of the radioactive properties, including the toxic, explosive or other lethal characteristics of nuclear fuel or radioactive products and waste;
- 3) a nuclear accident is any incident or series of incidents which have the same origin causing nuclear damage.

Article 851

The operator of a nuclear vessel shall bear exclusive liability for nuclear damage.

Article 852

If nuclear damage and nonnuclear damage have been caused by nuclear accidents or together by a nuclear accident and one or several other events, when it is not possible to make a reasonable distinction between the nuclear damage and the other damage, it shall be assumed that all the damage is nuclear damage caused solely by the nuclear accident.

Article 853

The provisions of this chapter of the law shall not apply to the liability of the operator of a nuclear vessel for nuclear damage caused that nuclear vessel, its equipment, fuel or stores.

Article 854

The operator of a nuclear vessel shall not be liable for nuclear damage which was directly caused by war, hostilities, civil war or rebellion.

Article 855

If the operator of the nuclear vessel proves that the victim intentionally caused the nuclear damage in its entirety or partially, the court may entirely or partially release the operator of the nuclear vessel from his liability toward that victim.

Article 856

The operator of a nuclear vessel who on the basis of the provisions of this chapter of the law has indemnified nuclear damage has right of reimbursement as follows:

- 1) from the person who intentionally caused the nuclear accident;
- 2) from the person who raised the wreck of a nuclear vessel without permission of the operator of the nuclear vessel or state whose flag the vessel flies or state in whose waters the wreck is located, and the damage is the consequence of such recovery;
- 3) if right of reimbursement has been explicitly stipulated in a written contract with the person against whom the suit for reimbursement has been lodged.

Article 857

The operator of a nuclear vessel shall be liable for recovery for nuclear damage caused by a nuclear accident up to the maximum of 1.7 billion dinars for each individual nuclear accident.

The provision of Paragraph 1 of this article shall also apply when the nuclear accident occurred through the personal fault of the operator of the nuclear vessel.

When the state whose flag a foreign nuclear vessel flies prescribes a higher limit of liability of the operator of a nuclear vessel than the limit provided for in Paragraph 1 of this article, the operator of the nuclear vessel shall be liable up to that higher limit.

The costs of proceedings in a civil action for recovery for nuclear damage and interest shall be paid in the full amount, this to be in addition to the amount which the operator of the nuclear vessel is required to pay under the provision of Paragraphs 1 or 3 of this article.

Article 858

The operator of a nuclear vessel must keep insurance or other financial guarantee in effect to cover his liability for nuclear damage up to the amount stated in Article 857 of this law.

Article 859

When two or more operators of nuclear vessels are liable for nuclear damage and when the damage which can be attributed to each of the operators cannot be reasonably distinguished, then the operators of the nuclear vessels shall be jointly and severally liable for that damage.

In a case of joint and several liability of the operators of nuclear vessels as referred to in Paragraph 1 of this article, each operator of a nuclear vessel has the right to seek a contribution from other operators in proportion to the fault of each of them. When the circumstances are such that the proportion of fault cannot be determined, the total liability shall be divided in equal parts.

Article 860

In a case of nuclear accident when the nuclear damage originated from several nuclear vessels of the same operator, that operator shall be liable for each vessel up to the limit stated in Article 857 of this law.

Article 861

A person who has suffered nuclear damage has the right to seek recovery directly from the insurer of the operator of the nuclear vessel or person who has extended a financial guarantee to cover the liability of the operator of the nuclear vessel.

Article 862

The right to recover for damage under the provisions of this chapter of the law shall expire if a complaint is not filed within 10 years from the date of the nuclear accident.

If nuclear damage has been caused by nuclear fuel, radioactive products or waste which were stolen, lost, ejected from a vessel or abandoned, the period stated in Paragraph 1 of this article shall be counted from the date of the nuclear accident which caused the nuclear damage, but that period may not in any case be longer than 20 years from the date of the theft, loss, ejection from the vessel or abandonment of the nuclear fuel, radioactive product or waste.

Article 863

The right to recover for damage under the provisions of this chapter of the law shall lapse at the end of 3 years from the date when the person filing suit for recovery for nuclear damage learned or should have learned of that damage and of the person liable for that damage.

The provision of Paragraph 1 of this article shall not affect the period stated in Article 862 of this law.

Article 864

The amounts of insurance or other financial guarantee referred to in Article 857 of this law may be used only to indemnify nuclear damage.

Article 865

The provisions of Articles 397 through 423 of this law shall be appropriately applied to procedure with respect to establishment of the limitation fund of operators of a nuclear vessel in connection with Article 857 of this law and to its division among creditors.

Article 866

The provision of this chapter of the law shall apply to a nuclear vessel from the moment of its launching. During the time between the launching and the vessel's acquisition of nationality, it shall be assumed that the nuclear vessel is being used by the holder of the right of possession of the vessel or shipowner and that it is flying the flag of the state in which it was built.

The holder of the right of possession of the vessel or owner of a nuclear vessel as referred to in Paragraph 1 of this article shall be taken in the context of this chapter of the law as the operator of the nuclear vessel, but he shall not be entitled to limitation of responsibility as provided for in Article 857 of this law.

Part Eight. The Procedure of Execution and Enforcement of Claims Against Vessels

Chapter I. General Provisions

Article 867

The provisions of this part of the law state the rules governing the procedure of execution and enforcement of claims against vessels which are in the coastal sea and inland waters of the Socialist Federal Republic of Yugoslavia.

The provisions of this part of the law concerning the enforcement of claims by establishment of liens shall also apply to vessels which are not within the jurisdiction of the Socialist Federal Republic of Yugoslavia, but are registered in the Yugoslav register of ships.

Execution and enforcement of claims against maritime and inland service craft which in the context of the provisions of Article 6 of this law are not regarded as maritime or inland vessels shall be conducted under the regulations of general executive procedure.

If there are no specific provisions in this law, the regulations of general executive procedure concerning the proceeding of execution and securing of claims shall be appropriately applied in the proceedings of execution and securing of claims against vessels.

Article 868

The provisions of this part of the law shall also apply to the procedure and execution and securing of claims against part interest in a vessel and to the procedure of execution and securing of claims against a vessel under construction.

Article 869

The following may not be the subject matter of execution or the securing of a claim:

- 1) foreign and Yugoslav military and equivalent vessels, public vessels and medical vessels;
- 2) military vessels during innocent passage through territorial waters or inland waters of the Socialist Federal Republic of Yugoslavia on which international rules of navigation or intergovernmental rules apply;
- 3) foreign vessels detained in inner coastal waters and ports of the Socialist Federal Republic of Yugoslavia by vis major or a navigational need, so long as the vis major or navigational need persist.

The vessels referred to in Points 2 and 3 of Paragraph 1 of this article may be the subject matter of execution or securing of claims if proceedings are conducted to execute or secure claims which arose during the vessel's passage and detention within the Socialist Federal Republic of Yugoslavia.

Article 870

The court in whose jurisdiction the register of ships in which the vessel or vessel under construction is registered is kept shall have competent jurisdiction with respect to place to rule on a petition for execution against vessels entered in a register of ships and against vessels under construction registered in the register of vessels under construction.

The court in whose jurisdiction the vessel or vessel under construction which is the subject matter of execution at the time when the petition for execution is filed is located shall have competent jurisdiction with respect to place to conduct the execution against vessels and vessels under construction referred to in Paragraph 1 of this article.

Article 871

The court whose jurisdiction includes the location of the vessel or vessel under construction which is the subject matter of execution at the time when the petition for execution is filed shall have competent jurisdiction with respect to place to rule on a petition for execution and to conduct

execution proceedings against foreign vessels and domestic vessels or vessels under construction which are not registered in a register of ships or the register of ships under construction.

Article 872

The court in whose jurisdiction the register of ships or register of ships under construction is kept in which the vessel or vessel under construction is registered shall have competent jurisdiction with respect to place to rule on a petition for securing of a claim by establishment or provisional registration of a lien against vessels or vessels under construction registered in a register of ships or register of ships under construction.

The agency keeping the record of ships in which the vessel or vessel under construction is registered shall be competent to secure the claim by establishing or making provisional registration of a lien against vessels referred to in Paragraph 1 of this article.

Article 873

The court whose jurisdiction includes the location of the vessel at the time when a petition is filed for the ordering of temporary measures or at the time when these measures are performed shall have competent jurisdiction with respect to place to rule on a petition for pronouncement and for conduct of temporary measures against a vessel.

Article 874

Only the court conducting execution proceedings or enforcement of claim against a vessel shall have jurisdiction with respect to place for execution or enforcement of claim against a cargo which is on the vessel against which execution proceedings or enforcement of the claim are being conducted.

Article 875

That court in whose jurisdiction execution is being conducted against the vessels referred to in Article 870, Paragraph 1, and in Article 871 of this law shall have competent jurisdiction with respect to place to rule on a petition for execution of the decisions of foreign courts against such vessels.

Chapter II. Execution to Enforce Monetary Claims--Sale of the Vessel

1. Limitation of Execution

Article 876

The sale of a socially owned vessel may be allowed only if the debtor has no liquid assets or if it has not been possible to effectively conduct execution against the debtor's liquid assets.

It shall be taken that execution against the liquid assets of the debtor will be unsuccessful if the claim has not been met within 30 days from the date when the court allowed execution against the debtor's liquid assets.

If execution is being conducted against a vessel whose holders of the right of possession of the vessel are sociopolitical communities and their agencies and organizations of associated labor and other self-managed organizations and communities not engaged in economic activity, with respect to limitation of execution against vessels of those communities, agencies and organizations the regulations of general executive procedure concerning limitation of execution against their movables shall apply.

Article 877

Vessels which represent fixed assets of organizations of associated labor carrying on economic activity may be the subject matter of sale unless they are necessary to performance of the principal activity of the organizations of associated labor against which execution is being conducted.

The provision of Paragraph 1 of this article shall not apply if an execution sale is being conducted to enforce a claim secured by a lien.

Nor shall the provision of Paragraph 1 of this article apply to the execution sale of a vessel if execution is sought in order to satisfy claims arising from the following:

- 1) damage caused by a collision of ships against which execution is being conducted or damage caused in any other manner;
- 2) death or bodily injury caused by the vessel against which execution is being conducted or which occurred because of use of that vessel;
- 3) salvage;
- 4) a charter party concerning the vessel which is the subject matter of execution;
- 5) general average;
- 6) pilotage;
- 7) outfitting the vessel which is the subject matter of execution in order to ensure its maintenance or use;
- 8) construction, modification, repair, equipping or docking of the vessel which is the subject matter of execution;
- 9) the right of the vessel's crew to personal incomes;

10) disbursements made by the master of the vessel, consignee, shipper or agent on the account of the vessel or shipowner, carrier, or holder of the right of possession of the vessel, but related to the vessel.

Article 878

On the petition of the debtor filed no later than 8 days from the date of delivery of the decision of execution and in view of the relation between the amount of the claim whose settlement is being sought and the value of the vessel on which execution would be conducted, the court ruling on a petition for execution sale of a vessel may order that execution be conducted on other of the debtor's assets or property if the debtor establishes the probability of a warranted expectation that the claim could be met within a reasonable period in some other manner.

The court shall deliver the debtor's petition referred to in Paragraph 1 of this article to the creditor, who may state his position concerning it within 8 days.

If the court orders that execution not be conducted against a vessel after it has rendered a decision for execution against a vessel, notation of the decision for execution against a vessel remains in effect until the satisfaction of the creditor's claim which was the reason for allowing execution against the vessel.

Article 879

The sale of a vessel which is the exclusive or predominant source of the debtor's income shall not be allowed if this would threaten the support of the debtor and persons whom the debtor is required to support under the law.

In its decision as to whether the circumstances referred to in Paragraph 1 of this article exist, taking into account particularly the debtor's age, his state of health and ability to work, and the number and age of persons whom the debtor is required to support, the court shall make an assessment as to whether it is possible for the debtor to earn the income necessary for support either through employment or in some other manner.

It shall not be allowed to sell a vessel which on the basis of a contract concerning life-long support of the owner becomes the property of the supporter after the owner's death if the right to support has been entered in the register of ships before the right on the basis of which the creditor seeks sale of the ship.

The provision of Paragraph 1 of this article shall apply in the proceedings of sale of foreign vessels under the condition of reciprocity.

Article 880

The provisions of Article 879 of this law shall not apply if execution sale is being conducted to settle a claim secured by a lien.

Nor shall the provision of Article 879, Paragraph 1, of this law apply to sale of vessels if the sale is sought to meet the claim referred to in Article 877, Paragraph 3, of this law.

2. Petition for Sale

Article 881

The petition for sale of a vessel which is entered in the register of ships shall be filed with the agency keeping the register of ships in which the ship is registered.

The agency referred to in Paragraph 1 of this article shall deliver the petition for sale to the competent court.

Article 882

The petition for sale of a vessel must specifically contain the following:

- 1) the name or title, occupation, address and nationality of the creditor;
- 2) the name or title, occupation, address and nationality of the debtor;
- 3) the name and numbers of the vessel, the type of vessel, the port of registration and the vessel's nationality;
- 4) the register of ships in which a Yugoslav vessel is registered;
- 5) the location of the vessel;
- 6) the amount of the claim for which sale is being sought;
- 7) indication of the documents on the basis of which execution is being sought;
- 8) a list of the known lien creditors;
- 9) a statement as to whether any means of security has been allowed against the vessel on which execution is being sought;
- 10) if possible, the amount and type of cargo on the vessel and the number of members of the crew.

Article 883

The following should be appended to the petition referred to in Article 882:

- 1) the document on the basis of which execution is being sought (executive writ) in the original or certified copy;
- 2) the document proving the existence of contract liens and burden and option to buy which are entered in the register of ships and information on known statutory liens against the vessel which is the subject matter of execution.

If execution is being conducted against a Yugoslav vessel, the petition should be accompanied by an extract from the register of ships proving the debtor's right of possession of the ship or right of ownership to the subject matter of execution, or, if the subject matter of execution is not entered in the register of ships--the document proving that the vessel which is the subject matter of execution is in the possession of one or several debtors.

If a foreign vessel against which execution is sought has already been arrested at the time when the petition for sale was filed, the petition for execution should be accompanied by a certified copy and translation of the document in one of the languages of the nationalities or ethnic minorities of Yugoslavia, in conformity with the SFRY Constitution and law, such documents proving the ownership and nationality of the vessel under the law of the country of the vessel's nationality.

If a foreign vessel against which execution is sought has still not been arrested at the time when the petition for sale is filed, the creditor must establish the likelihood that the vessel is the debtor's property.

When a foreign vessel against which an execution sale is being conducted is arrested, the court shall summon the creditor to submit the document cited in Paragraph 3 of this article within 3 days.

If the creditor does not act according to the provision of Paragraph 5 of this article, the court shall render a decision to stay executive proceedings.

Article 884

If a vessel against which an execution sale is being sought has been entered in the register of ships, but the person registered as the holder of the right of possession of the vessel or owner is not the debtor, but another person, the creditor must submit documents to the court which are suitable for entry of the debtor's right of possession of the vessel or right of ownership in the register of ships.

If the creditor does not possess the documents referred to in Paragraph 1 of this article, the right to enter in the register of ships the debtor's right of possession of the ship or right of ownership may be proven by a valid verdict rendered in a civil action.

In the cases referred to in Paragraphs 1 and 2 of this article the debtor's right of possession of the ship or right of ownership shall be automatically registered.

3. The Execution Sale Decision

Article 885

The court shall render a decision on a petition for sale of a vessel.

The court shall deliver its decision on execution sale of a vessel under the provisions of the Law on Procedure in Civil Actions concerning personal service of process on principals and all persons in whose favor, according to the information in the record, there stands some lien, right to settlement or option to buy with respect to the vessel which is the subject matter of execution.

In addition to delivering the decision referred to in Paragraph 1 of this article, the court shall specifically inform persons in whose favor an option to buy is recorded that they shall not be able to exercise their option in the sale proceeding.

If the debtor's whereabouts are unknown or if the debtor is abroad, the court shall appoint the master of the vessel the debtor's temporary representative, and the decision concerning execution sale of the vessel shall be delivered to him. If the master has left the vessel, the court shall appoint as the debtor's temporary representative another person suitable for performance of that duty.

Article 886

When the decision on sale of a vessel which is registered in the register of ships is made, the court shall automatically order that that decision be noted in the register of ships.

When a decision is rendered for sale of a vessel which is not entered in the register of ships, the court shall automatically order that an inventory be taken of the vessel.

The effect of the notation referred to in Paragraph 1 of this article or the inventory referred to in Paragraph 2 of this article is that a sale to meet the claim of a creditor may be conducted against any person who later acquires the right of possession of the vessel or right of ownership of the vessel which is the subject matter of the sale (right to settlement)

and the creditor in whose favor that notation or inventory is made has priority in settlement of the claim which is the basis of the execution and secondary claims against any other person who later acquires any lien against the vessel or enforces a right to settlement.

The decisive moment for the order of priority of the right to settlement to which the creditor is entitled is the moment when the petition for execution sale of the vessel is filed with the agency keeping a register of ships.

If the subject matter of execution is not registered in the register of ships, order of priority shall be determined on the basis of the moment when the petition for the taking of inventory reaches the court competent to conduct the execution or if that court is competent to render the decision on the execution sale--according to the moment when the petition for sale of the vessel reaches that court.

Article 887

If an inventory of the vessel which is the subject matter of sale has been taken in some prior proceeding, and that vessel is not entered in the register of ships, the decision on the execution sale shall be noted in the record of the previous inventory.

Article 888

Creditors who have acquired a lien against the vessel which is the subject matter of a sale have the right, in the order of priority they are entitled to, to settle their claim from the proceeds obtained in sale of the vessel, even though they have not sought the sale.

Article 889

After notation of the decision concerning execution sale or taking of inventory, and until the sale proceedings is stayed, a separate sale proceeding may not be conducted in favor of other execution claims with respect to the same vessel.

Creditors in whose favor a decision is rendered during execution sale during the sale proceeding referred to in Paragraph 1 of this article and up to the time when the decision on award of the vessel becomes valid, shall join in the proceeding already under way and they must join it as it stands at the moment when they join it.

The court shall inform all persons as referred to in Article [number illegible--translator's note] of this law of the entry of new creditors.

4. Conduct of Execution

Article 890

Upon rendering or receiving the decision on executive sale of the vessel, the court conducting execution shall without delay perform the following:

- 1) order the arrest of the vessel (Article 980) and to that end summon the agency competent for safety of navigation in the port to confiscate the enrollment certificate or ship's certificate, the crew manifest and documents concerning the vessel's seaworthiness, and in the case of a foreign vessel-- documents which correspond to these Yugoslav documents;
- 2) order the safekeeping of the vessel if necessary;
- 3) make an inventory of the vessel and its appurtenances whose value shall be separately ascertained under the provision of Article 898 of this law;
- 4) compile a list of crew and passengers remaining on board and inventory the type and amount of cargo on the vessel.

Article 891

The court may entrust the safekeeping of the vessel to its master, who shall to that end be allowed to keep a certain number of members of the crew, or the court may order that the crew of the vessel and master disembark and appoint other custodians.

In deciding whether the vessel shall be entrusted to the master of the vessel or other persons for safekeeping, taking into account the motions of the creditor, the court shall give consideration to the safety of the vessel, the cost of safekeeping and other important circumstances.

Article 892

On a motion of the principals, the master of the vessel or the custodian of the vessel the court may order that the vessel be moved to another place if it finds that this is necessary for the safety of the vessel or if this would be beneficial for other important reasons, especially to reduce the cost of safekeeping and maintenance of the vessel.

The place to which the vessel is moved under Paragraph 1 of this article need not be located within the jurisdiction of the court conducting execution.

Article 893

If the person authorized to possess the cargo on the vessel against which execution is being conducted does not report to the court within 3 days of

the vessel's arrest, the court shall appoint a temporary representative of that person.

So long as the cargo is on board, the master of the vessel or person appointed custodian of the vessel by the court shall see to the safekeeping of the cargo.

On motion of the person authorized to possess the cargo or of his temporary representative, the debtor or master of the vessel, and if there are good reasons, and also on the recommendation of the custodian of the vessel, the court shall allow cargo to be discharged and placed in a public warehouse or other suitable place for safekeeping.

The court shall allow the persons authorized to possess the cargo or his temporary representative to freely dispose of the cargo if the carrier, master of the vessel or other representative of the carrier does not oppose this.

If the master of the vessel disembarks on order of the court or voluntarily, this shall not affect his authority to represent the carrier or operator with respect to the cargo on board at the moment of the arrest.

The provisions of Paragraphs 1 through 5 of this article shall not affect the rights and duties of the parties which arise out of the cargo carriage contract.

Article 894

Passengers and their baggage must be discharged from the vessel against which execution is being conducted. As an exception to the provision of Paragraph 1 of this article, on the motion of the debtor the court shall allow passengers to remain on the vessel with their baggage if this is not opposed by the creditor or custodian of the vessel and if the debtor makes an advance to cover the expenses of maintaining the passengers.

The provisions of Paragraphs 1 and 2 of this article shall not affect the rights and duties of the parties which arise out of the passenger carriage contract.

Article 895

The creditor shall provisionally bear the expenses of conducting the execution and of the safekeeping and maintenance of the vessel.

The court may order the creditor to advance the amount necessary to meet the cost of conducting the execution.

If within the period ordered by the court the creditor does not make the advance, the court shall render a decision staying executive proceedings.

Article 896

An appeal against decisions referred to in Articles 890, 891, 892 and 893 of this law shall not stay execution of the decision.

Article 897

If there are particularly good reasons for it, on the motion of an interested person and after hearing the parties and known creditors who have some lien or real burden on the vessel, the court may allow the vessel to make one or more voyages during the execution proceeding.

The court shall not allow a voyage as referred to in Paragraph 1 of this article unless an insurance contract has been concluded concerning the vessel under conditions which the court deems suitable and unless the proponent of the voyage offers appropriate security which is available and negotiable in favor of the creditors against the loss they might incur thereby.

In order to hear the parties and other creditors, under the provision of Paragraph 1 of this article the court shall schedule a hearing or communicate to the authorized persons in writing the petition and conditions under which the permission to undertake a voyage is being sought, along with a summons that they state their position concerning the petition within 3 days of the date of delivery of the summons.

If any of the persons summoned fails to appear at the hearing or does not state his position concerning the petition within the period stated in Paragraph 3 of this article, it shall be assumed that he consents to the undertaking of the proposed voyage.

The person on whose petition the voyage has been allowed must at the court's request advance money to cover the cost of the voyage. If he does not do this in the period specified by the court, the voyage shall not be undertaken.

5. Inventory and Determination of the Value of a Vessel Which Is the Subject Matter of Execution

Article 898

When a decision concerning execution sale of a vessel becomes valid, the executing court shall ascertain the value of the vessel and of its appurtenances.

A separate inventory and assessment shall be made only of those appurtenances which are regularly on vessels of similar type to which the vessel which is the subject matter of execution belongs and which are of substantial value and of parts which are temporarily detached from the vessel.

The value of the vessel shall be determined at its market price on the date of the sale.

In determining the vessel's value, a statement shall be made as to the value of the vessel which is the subject matter of execution of liens and real burdens remain in effect, the value which it has without those liens and burdens, and also the value of the liens and real burdens.

If the value of the vessel which is the subject matter of execution has been ascertained in a previous execution or bankruptcy proceeding, and if no major change has occurred since that time, the court may take as the value of the vessel the value ascertained in that prior proceeding. The court shall hear the parties on this matter before making a decision.

On the motion of one of the parties the court may order that the value of a vessel which is the subject matter of execution be ascertained again if there is a likelihood that the value of the vessel has changed considerably between the date of the prior determination of value and the date of the sale.

Article 899

The court shall inform the parties of the hearing for inventory and determination of the value of the vessel.

The hearing for inventory and determination of the value of the vessel shall ordinarily be held at the place where the vessel is located.

The court shall appoint one or several experts to determine the value of the vessel.

The court shall render the decision establishing the value of the vessel at its own discretion, taking into account the finding and opinion of the experts and other information presented during the proceeding.

A separate appeal is not allowed against the decision whereby experts are appointed under Paragraph 3 of this article.

An appeal may be filed against the decision establishing the value of the vessel which is the subject matter of execution not only by the parties, but by any person who has the right to have his claim settled from the proceeds of the ship's sale.

Article 900

A person who has the right to settlement from the proceeds of the ship's sale and who in order of priority comes ahead of the creditor who has submitted the petition for execution, may petition a stay of execution proceedings if the established value of the vessel does not even partially cover the amount of his claim.

The petition referred to in Paragraph 1 of this article may be filed within 8 days from the date of delivery of the sale decree.

In ruling on the petition the court, taking all circumstances into account, shall make an assessment as to whether the sale is expedient in view of the probable amount of partial settlement of the creditor who filed the petition for execution.

6. The Terms of the Sale

Article 901

When a decision concerning ascertainment of the value of the vessel which is the subject matter of execution becomes valid, the court shall summon the creditor to submit a draft of the sales terms within a specified period if the creditor has not already done so.

If within the period referred to in Paragraph 1 of this article the creditor does not submit a draft of the sales terms, it shall be assumed that he consents to have the sale made on the terms defined by this law.

If the sales terms proposed by the creditor are in accord with the provisions of this law concerning the sales terms, the executing court shall approve them without a preliminary hearing.

If the creditor proposes sales terms which depart from the provisions of this law, the court shall order a hearing to establish the sales terms.

The court shall summon to the hearing referred to in Paragraph 4 of this article all those persons in whose favor, according to information from the records in the court's possession, there exist any liens or real burdens on the vessel which is the subject matter of execution.

The court shall appoint a temporary representative of persons on whom the summons probably will not be able to be served, and the summons to the hearing shall be served on that temporary representative.

Article 902

In the hearing to examine the proposed sales terms all persons summoned may make motions to amend the terms proposed.

On the basis of the results of the arguments the court shall establish the sales terms within the limits of the provisions of this law.

If a stay or postponement of the sale is moved in the hearing for establishment of the sales terms, examination of the sales terms may be resumed only after that motion has been denied.

The court shall decide whether to delay the rendering of a decision on the sales terms until the decision denying the motion referred to in Paragraph 3 of this article becomes final.

Article 903

The sales terms must contain the following:

- 1) the title or name, address and nationality of the creditor;
- 2) the title or name, address and nationality of the debtor;
- 3) the name or numbers, type, port of registration and nationality of the vessel, the gross and net registered tonnage of the vessel or displacement, carrying capacity, navigation area, information important to ascertainment of the vessel's condition and usability, such as its purpose, year of construction, the material of which the vessel is built, the type and horsepower of propulsion machines and special-purpose devices; in the case of vessels under construction the extent of completion shall also be stated, along with an inventory and value of material which will be covered by the sale and which has not yet been used in the construction;
- 4) indication of liens and real burdens which the customer must assume and are not covered by the proceeds;
- 5) the established value of the vessel;
- 6) indication of the lowest acceptable bid;
- 7) provisions concerning the manner of placement and amount of deposits which bidders are to make;
- 8) provisions concerning the manner of payment of the purchase price;
- 9) indication of the time when risks and benefits pass to the purchaser;
- 10) provisions concerning the time and conditions under which the vessel will be turned over to the purchaser, especially if the cargo has not been discharged from the vessel before the decision containing the award becomes final, and when his right of possession of the vessel or right of ownership shall be entered in the register of ships;
- 11) if necessary, provisions concerning the sale of a co-owner's share of the vessel.

Article 904

Only persons who place the required deposit may participate in a public auction in which bids are made verbally.

If on motion of the parties the court does not specify otherwise, the deposit which bidders must place shall represent one-tenth of the established value of the vessel which is the subject matter of execution.

The deposit shall be placed in cash, securities or other valuable property which is negotiable and available.

The creditor who petitions for execution and lien creditors shall be exempted from placement of deposit if their claims are as great as the amount of the required deposit and if in view of their order of priority and the established value of the vessel which is the subject matter of execution that amount can be obtained in the price realized in the sale.

Sociopolitical communities and their agencies are also exempted from placement of the deposit required of bidders.

Article 905

The deposit which the successful bidder has placed shall remain with the court until the bidder meets all obligations under the sales terms or until the court's decision denying award of the vessel which is the subject matter of execution becomes valid.

Other bidders shall be returned the deposit they have placed after conclusion of the public sale.

The deposit of the highest bidder shall serve as a pledge against all obligations arising against him from the sales proceedings.

Article 906

If on the motion of the parties and with consent of attorneys the court does not order otherwise, the purchaser shall take over the awarded vessel which is the subject matter of execution free of all liens and real burdens.

Article 907

The minimum acceptable bid shall ordinarily be at least one-half of the established value of the vessel.

On motion of the creditor whose claim has been secured by a lien or of the debtor, if the creditor who petitioned for execution consents, the court may also fix a higher amount as the minimum acceptable bid.

Article 908

Unless the court orders otherwise on motion of the parties, the purchaser must prove within 15 days from the date of the award that he has deposited with the court the purchase price for the awarded vessel which is the subject matter of execution.

The purchaser shall be exempted from depositing the purchase price or a portion of it in cash if the creditors whose claims are secured by a lien against the vessel consent to the purchaser's assumption of those debts.

If the purchaser meets all obligations contained in the sales terms, the cash deposited with the court as deposit may be used as a part of the purchase price.

Article 909

The risk on a ship which has been the subject matter of an execution sale shall pass to the purchaser on that date when the judgment awarding him the vessel becomes final. As of that date the purchaser shall also bear all burdens related to the right of possession of the vessel or the right of ownership of the vessel.

The awarded vessel shall be turned over to the purchaser along with appurtenances which have been sold, and his right of possession of the vessel or right of ownership shall be registered after he meets all the terms of the sale.

7. The Public Sale

Article 910

The vessel shall be sold in a public auction in which bids are made verbally.

Article 911

When the court establishes the value of a vessel which is the subject matter of execution and defines the sales terms, it shall fix the date of the public sale and publish notice of the sale so that at least 15 days, but no more than 30 days, pass between the first publication of the notice to the date of the sale.

The public sale may not be held before the decision concerning execution by sale and the decision establishing the sales conditions become final.

Article 912

The notice of the sale must contain the following:

- 1) identification of the vessel and appurtenances which will be sold and the value of the vessel which is the subject matter of execution;
- 2) the title or name, address and nationality of the parties;
- 3) the time and place of the sale;

- 4) the lowest acceptable bid and amount of deposit required of bidders;
- 5) notice that the sales terms and documents pertaining to the vessel which is the subject matter of execution may be examined in the executing court;
- 6) a summons to lien creditors whose liens have not been entered in the register of ships to give notice of their claims in the sale, with a warning that their rights will be taken into account in the proceedings only if they are referred to in the record of execution proceedings;
- 7) a summons that any person who has any right to the vessel which is the subject matter of execution which stands in the way of allowing the sale give notice of his right to the court no later than the date of the sale before the bidding begins, with a caution that he will no longer be able to enforce that right with respect to the vessel against which execution is being conducted to the detriment of a purchaser in good faith;
- 8) notice that a person holding some lien or burden on the vessel which is the subject of execution shall be served notice of the further course of proceedings only if he resides in the Socialist Federal Republic of Yugoslavia or if he has his authorized representative or person authorized to receive service of process in the Socialist Federal Republic of Yugoslavia.

Article 913

The court shall deliver notice of the sale to the parties and to all persons who according to the documents in the possession of the court have a lien, real burden or other option on the vessel which is the subject matter of execution.

The court shall at the same time summon creditors who against the ship which is the subject of execution have claims secured by a lien that no later than 5 days before the public sale they must state whether they demand that their claims be paid in cash or that they consent to have the purchaser assume the debt, so that the previous debtor is released from the debt; but if they do not so state within the specified period, it shall be assumed that their claim shall be paid in cash.

If any contract lien representing a loan or contract bond has been registered against the vessel which is the subject matter of execution, the creditors shall be summoned to present their claims arising out of the legal relations secured by those bonds no later than commencement of the sale.

Notice of the sale shall be delivered under the provisions of the Law on Procedure in Civil Actions concerning personal service of process on principals.

When there is a likelihood that it will not be possible to deliver the notice of the sale to some individual on time or if the attempted delivery

has been unsuccessful, the court shall appoint a temporary representative on whom the notice of the sale shall be served.

Article 914

The court shall publish the notice of the sale in SLUZHBI LIST SFRJ, the official gazette of the republic or autonomous province in which the vessel is located, on the bulletin board of the court, on the bulletin board of the agency for safety of navigation in the port, and in other suitable manner.

The parties may demand that notice of the sale be published at their expense in another manner which they propose.

Article 915

If the sale of a domestic vessel is being conducted, the court shall order that the date and place of the sale be noted in the register of ships in which the vessel is registered.

Article 916

In the interval between the notice of the sale and the sale itself the debtor is required to make it possible for persons interested in taking part in the sale to examine the vessel which is the subject matter of execution and also documents pertaining to it.

The court shall specify certain days and hours for examination of a vessel which is the subject matter of execution, taking into account the need for the vessel to operate without hindrance.

No appeal is allowed against the resolution of the court referred to in Paragraph 2 of this article.

Article 917

The sale shall be public and shall ordinarily be held in the courthouse.

The court may order that the sale be held at the place where the vessel which is the subject matter of execution is located.

At the sale the court shall allow participants to examine the sales terms and other documents pertaining to the sales proceeding.

If the sale is attended by only one bidder, the court shall decide whether to postpone the sale or to hold it.

No appeal is allowed against the resolution referred to in Paragraph 2 of this article.

Article 918

When it finds that there are no impediments to holding the sale, the court shall present the sales terms and then data on the claims of creditors who have the right to settlement from the proceeds, concerning the declarations of creditors with respect to settlement or assumption of their claims, concerning claims secured by contract liens representing credit or contract bonds, and concerning other circumstances important to holding the sale.

Article 919

The debtor, the judge supervising the sale, the clerk of court and other person officially participating in the sale shall be prohibited from bidding either in their own name or on behalf of another.

The representatives of the bidders must show evidence of their authorization as representatives in the sale in the form of a public document or notarized power of attorney.

Article 920

The court may order that the sale and payment of the purchase price be in foreign means of payment when a foreign vessel is sold, in conformity with federal law.

The provision of Paragraph 1 of this article may also be applied when a sale is conducted to settle the claims of foreign creditors against a Yugoslav vessel and when foreign natural or legal persons are bidding in a public auction.

On the petition of a foreign contract lien creditor and in conformity with federal law, the court may allow a vessel to be sold in foreign means of payment if the claim secured by the contract lien is registered in foreign means of payment.

Article 921

The bidder shall be bound by his bid until a higher bid is made (Article 922).

Article 922

The court shall call upon those present to make their bids no sooner than one-half hour from the time appointed for beginning of the sale.

The public auction in which verbal bids are made shall be continued so long as higher bids are made.

If any bidder so requests, the court may allow a brief period for consideration.

The public auction shall be concluded if no higher bid is made within 5 minutes following the second call. The court shall so advise those present.

Before conclusion of the sale the court shall once more announce the last bid and then shall proclaim that the sale is concluded.

Article 923

When the court concludes the sale, it shall call upon those present to immediately present their objections to the award during the sale.

The objection against the award to the highest bidder may be based only on the following grounds:

- 1) that 15 days have not passed from the date of announcement of the sale to the date of the sale (Article 911);
- 2) that notice of the time and place of the sale was not properly drawn up or published;
- 3) that the court had not informed all persons it was required to inform of the time and place of the sale;
- 4) that the sale proceeding was continued even though a decision was rendered to stay proceedings;
- 5) that the provisions of this law concerning the auction were violated during the public auction in which bids are made verbally;
- 6) that the conditions under which the best bid was made did not conform to the established sales terms;
- 7) that the highest bidder or his representative were not competent to participate in the sale of that particular vessel which was the subject matter of execution;
- 8) that the highest bid was not sufficient to fully settle a claim secured by a lien and secondary claims of the creditor filing the objection, when his claim has a higher order of priority than the claim of the creditor who petitioned for execution.

Article 924

The court shall automatically give consideration to the defects cited in Article 923, Paragraph 2, Points 4, 6 and 7, of this law. The court shall rule on other defects only if they have been set forth in objections filed within good time.

The court shall automatically examine and establish the facts on which the objections are based.

Article 925

As a rule the court shall make a ruling on the objections submitted during the hearing in which the sale is made.

When honoring the objections filed and denying the award, after hearing those present it was required to inform of the time and place of the sale, the court shall decide whether to resume the sale immediately or to order a new time and place for the sale. If it decides to resume the sale immediately, the bidders who participated in the sale are bound by their previous bids unless they have lost validity because of higher bids.

If no ruling is made on the objections during the hearing itself, the court shall deliver its decision on the objections to the highest bidder, to the principals and to all persons who are entitled to file an appeal against the decision rendered.

Article 926

If objections are not made and if it is not established that there are defects under Article 923, Paragraph 2, Points 4, 6 and 7, of this law, the court shall render a decision during the sale hearing to award the vessel which is the subject matter of execution to the highest bidder whose bid is found to be acceptable. The court shall announce this decision in the hearing and deliver it to the persons referred to in Article 913, Paragraph 1, of this law and to all other participants in the sale.

The award decision shall be published within 8 days on the bulletin board of the court and shall be noted in the register of ships. The consequence of that notation is that subsequent entries in the register of ships give rise to rights against the previous holder of the right of possession of the vessel or shipowner only if the award decision is annulled. The decision as published shall include the highest price offered and the period for declaration of an overbid, along with an indication of the minimum amount of the overbid.

Any person whom the court is required to inform of the time and place of the sale may request that the decision referred to in Paragraph 2 of this article be published at his expense in SLUZBENI LIST SFRJ or in some other manner.

No appeal is allowed against the decision referred to in Paragraph 2 of this article.

Article 927

The vessel which is the subject matter of execution may not be awarded if no bid is made in the sale which reaches the minimum acceptable bid (Article 907).

The court shall render a decision to deny the award if it finds that the objections made are justified, if it finds that there is some defect it notes in automatic exercise of its official function or if it finds that the sale was held before the decision to conduct the sale and the decision establishing the sales terms became final.

The decision denying the award shall be noted in the register of ships.

If in ruling on an appeal against decisions referred to in Paragraphs 1 and 2 of this article the court above renders an award decision, notation of the award shall be made as of the date when the notation was made that the award was denied (Paragraphs 1 and 2).

Article 928

The award decision may be contested by an appeal on the grounds cited in Article 923, Paragraph 2, and Article 927, Paragraph 1, of this law and also because the award decision did not conform to the content of the court documents on which it is based.

The person to whom the court awarded a vessel which is the subject matter of execution may contest the decision on the grounds that the court was required to deny the award or render it an award on other terms than those stated in the award decision.

The decision denying an award may be contested because it does not conform to the content of court documents on which it is based or because there were no legal grounds for denial of the award.

A person who objected to the award in the sales hearing shall not have the right to appeal a decision denying the award.

8. Repetition of the Sale

Article 929

If a decision denying the award because the minimum acceptable bid was not made has become final, the court shall specify another hearing for conduct of the sale if this is proposed by the creditor who petitioned for execution within 8 days from the date of the unsuccessful sale.

Before scheduling the new sale the court may order that a new determination be made of the value of the vessel which is the subject matter of execution and may schedule a hearing to examine a change of the sales terms.

An interval of at least 30 days must pass between the first and second sale.

If the creditor who petitioned for execution has not petitioned for a new sale within the period referred to in Paragraph 1 of this article, the court shall render a decision staying execution proceedings.

Article 930

If the court denies the award on other grounds than the grounds cited in Article 929 of this law, and if there are no defects standing in the way of resumption of proceedings, the court shall automatically schedule a new time and place for the sale.

In the new sale the sale shall be conducted on the basis of the terms previously established.

9. Validity of the Award Decision

Article 931

When a decision denying an award becomes final, the court shall refund to the highest bidder his deposit.

Article 932

When the decision containing award of a vessel becomes final, on motion of the purchaser or person authorized to possess the cargo or his temporary representative the court shall order that cargo be discharged from the vessel, and on the petition of the purchaser it shall order that persons and their belongings be disembarked.

The costs of unloading cargo under the provision of Paragraph 1 of this article shall be borne in advance upon demand of the court by the person seeking the discharge unless the sale terms provide otherwise.

If the person who was the carrier for the vessel which was the subject matter of execution was sold or his representative opposes delivery of the cargo to the free disposition of its authorized holder, the court shall order that the cargo be placed at the carrier's expense in a public warehouse or some other suitable place.

The provisions of Paragraphs 1 through 3 of this article shall not affect the rights and duties of the parties arising out of a cargo carriage contract.

No appeal is permitted against a decision ordering the unloading of cargo or disembarkation of persons and their belongings or placement of cargo in a public warehouse or other suitable place.

Article 933

Holders of the right of disposition or owners of appurtenances of a vessel on which execution is being conducted which are not included in the sale are authorized to take away those appurtenances after the award of the vessel becomes final at their own expense and risk.

Article 934

Rights which the purchaser has acquired on the basis of the final award of the vessel which was the subject matter of execution may not be contested because the executive writ on which the decision to sell the ship was based is annulled or modified after the award decision becomes final.

10. Resale

Article 935

If the purchaser does not prove that he has paid the purchase price within the period stated in Article 908, Paragraph 1, of this law, on motion of an authorized person the court shall proclaim the valid award decision null and void and shall order resale at the purchaser's expense and risk.

The petition for resale may be filed by principals, creditors whose claims have been secured by a registered lien against the vessel which is the subject matter of execution and creditors whose statutory liens are not covered by executive writs.

The petitioner must petition for the resale no later than 10 days from the date of expiration of the period stated in Article 908, Paragraph 1, of this law. If no one in that period petitions for resale, the court shall render a decision staying execution proceedings and shall release the vessel which is the subject matter of execution.

The resale shall be conducted under the provisions which apply to the first sale and at the sales terms which were previously established.

On motion of authorized persons the court may order that those bids be honored in the resale which were less than half of the value of the vessel which is the subject matter of execution as established for the first sale.

The resale shall not be held if before expiration of the period for appealing the allowance of the resale the purchaser who has been late in paying the purchase price proves that he has paid the remainder of the purchase price and interest and the amount necessary to indemnify any loss so far incurred.

Article 936

If the price obtained in the resale is less than the price obtained in the previous sale, the purchaser who has been late in paying the purchase price shall be liable to recovery from the deposit, the portion of the purchase price he has delivered, and his other assets or property for the difference that has come about, the expenses of the resale and any loss caused by his delinquency.

The executing court shall automatically establish the amount of difference in the prices obtained and the amount of costs as referred to in Paragraph 1 of this article.

On the basis of the decision referred to in Paragraph 2 of this article, when it becomes final, the court shall conduct execution against the deposit which has been made, the portion of the purchase price which has been paid, and, if necessary, against other assets or property of the purchaser as well. The execution shall be conducted on petition of one of the persons who have been referred to the proceeds of the sale for settlement of their claims.

Execution shall be conducted in favor of the fund for distribution among the creditors. The difference between the price obtained in the resale and in the previous sale shall also belong to this fund.

The purchaser who has been late in payment is not entitled to the amount by which the purchase price obtained in the resale exceeds the purchase price obtained in the previous sale.

11. Stay of Proceedings

Article 937

In addition to the grounds for stay of execution under general regulations governing execution proceedings and other grounds as envisaged by this law, sales proceedings shall also be stayed in the following cases:

- 1) if no later than 8 days before the date of the sale a third party pledges reasonable security and declares that he wishes to take over the vessel which is the subject matter of execution for a price which exceeds the established value of the vessel by at least one-fourth and if he declares that he will bear all costs which would otherwise have to be borne by the debtor;
- 2) if this is demanded by a lien creditor who no later than commencement of the actual auction in the public sale purchases the claims on the basis of which the sale was allowed and reimburses the expenses which otherwise would have to be borne by the debtor;

3) if before commencement of the sale the creditor withdraws from sales proceedings; in such case resumption of sales proceedings may not be petitioned for on the basis of the same claim until 6 months have passed from the date when sales proceedings were stayed;

4) if before commencement of the sale the debtor presents to the court the amounts necessary to fully settle foreclosed claims and costs of proceedings incurred to that point by all creditors who petitioned for execution;

5) if the minimum acceptable bid is not made even in a second sale (Article 929, Paragraph 1, and Article 930).

Article 938

If the court honors the petition for stay of the sales proceedings as referred to in Article 937, Point 1, of this law, the court shall postpone sales proceedings.

If the petitioner referred to in Article 937, Point 1, of this law does not post adequate security within the specified period, the court shall automatically resume the suspended proceedings.

Should proceedings be resumed under Paragraph 2 of this article, the security which the petitioner has posted shall belong to the fund for division among creditors.

The provisions of Article 936, Paragraphs 2, 3 and 4, of this law shall be suitably applied with respect to collection of the price at which the petitioner has agreed to take over the vessel which is the subject matter of execution.

When the petitioner pays the amounts referred to in Article 937, Point 1, of this law, the court shall stay sales proceedings.

Article 939

The court shall inform all persons enumerated in Article 913, Paragraph 1, of this law of postponement and stay of sales proceedings.

The court shall at the same time instruct the creditor who petitioned for execution concerning his right under the provision of Article 940 of this law.

When 15 days have passed from the date when the decision to stay proceedings became final, the court shall order that all notations concerning sales proceedings be deleted from the register of ships or inventory.

Article 940

Within 15 days from the date when the decision to stay sales proceedings became valid, the creditor in whose favor allowance of the sale was noted in the register of ships may petition the executing court to register a lien against the vessel which is the subject matter of execution according to the order of priority of the notation made in favor of his foreclosed claim and secondary claims.

The circumstance that in the meantime the debtor has alienated or burdened the vessel which is the subject matter of execution shall not be an impediment to registration of this lien.

The petition covered by the provision of Paragraph 1 of this article may not be honored if sales proceedings have been stayed because execution was in general not allowable, because annulment or invalidation of executive writ has become final, because the claim which was the basis of the execution has been satisfied, or because it has been validly established that the claim did not belong to the creditor.

12. Division of the Proceeds

Article 941

When the purchase price is paid and the award decision becomes final, the court shall schedule a hearing of arguments concerning division of the proceeds.

The court shall summon to the hearing the persons enumerated in Article 913, Paragraph 1, of this law, and it shall inform the purchaser that he may participate in that hearing.

In the summons to the hearing referred to in Paragraph 1 of this article the court shall caution the creditors that the claims of creditors who do not come to the hearing will be taken into account on the basis of the status shown in the register of ships and executive writs and that the existence of their claims, their amount and the order in which those claims may be settled are open to dispute by other parties in the hearing for division of the proceeds but not thereafter.

The resolution scheduling the hearing shall be posted on the bulletin board of the court.

Article 942

In the hearing arguments will be heard concerning claims which should be honored in division of the proceeds and concerning the order of their settlement.

The debtor is required to furnish the court all explanations necessary to establish the correctness of the order of priority of the claims which are to be met from the proceeds.

A creditor might be recognized in division of the proceeds if a disputed claim were eliminated and may object to the claims declared or claims covered by executive writ no later than the hearing for division of the proceeds. The objections may pertain to the existence of the claim, its amount or the order of priority of settlement.

The debtor has the right of objection only in connection with those claims concerning which he asserts that there is no basis for settlement.

Arguments shall not be heard concerning claims which cannot be met from the proceeds even if disputed claims with higher order of priority were eliminated.

Article 943

The fund for division among creditors shall consist of the following:

- 1) the proceeds of the sale;
- 2) the deposit of a purchaser who was delinquent in payment of the purchase price, the part of the purchase price which he has paid and other amounts which he has reimbursed;
- 3) the purse and revenues obtained from the vessel which is the subject matter of execution and which the purchaser is required to restore;
- 4) revenues from a voyage performed during sales proceedings;
- 5) the amounts referred to in Paragraphs 2 and 3 of this article.

The proceeds of the sale of the vessel which is the subject matter of execution, incidental income of the vessel which is the subject of execution [this term clarified by Article 204--translator's note], and freight or fares shall constitute separate funds for division among creditors depending on which of these values are affected by statutory or contract liens of creditors which petition for execution.

Freight, fares and amounts pertaining to incidental income of the vessel which have been paid before conclusion of the hearing to examine division of the proceeds shall be divided together with the proceeds obtained through sale of the vessel which is the subject matter of execution.

Article 944

Creditors shall be satisfied from the fund for distribution on the basis of the following order of priority:

- 1) statutory lien creditors;
- 2) contract lien creditors;
- 3) other creditors.

The provisions of this law concerning statutory and contract liens against a vessel shall apply to determination of order of priority for settlement of creditors referred to in Points 1 and 2 of Paragraph 1 of this article within the particular class of creditors.

Expenses incurred during proceedings of sale of a vessel shall be covered before division of the proceeds and before the claims of lien creditors.

Article 945

The order of priority which applies to the principal shall also be assigned to the interest on that principal if the interest is not in arrears for a time longer than 3 years before the award and trial and execution costs which have been incurred to achieve any of those demands.

Payments which are recurrent and which are not in arrears for longer than 3 years before the award shall have the same order of priority as the right which is the basis of those payments.

If the fund for division among the creditors is insufficient to satisfy a creditor, expenses and secondary claims shall be met before the principal.

Article 946

If the fund for division among creditors is insufficient to satisfy creditors within the same class of order of priority (Article 944, Paragraphs 1 and 2), their claims, together with costs and secondary claims, shall be met in proportion to the total amount of those claims.

Article 947

The surplus remaining in the fund for division after all claims have been met as enumerated in Article 944 of this law shall be awarded to the debtor by the court.

Article 948

Unless the court, on the motion and with the consent of the participants, orders otherwise, recurrent payments shall be settled by first paying all amounts in arrears up to the date of the award, and then a sufficient portion of the principal shall be placed at interest so that its interest will cover the payments coming due after the date of the award.

If possible the court shall award in advance the principal which will become available when that right to payment terminates to those authorized creditors whose claims have not been entirely satisfied from the fund for division, this to be done according to the order of priority of their claims; if there are no such authorized creditors, then it shall be awarded to the debtor.

Article 949

A claim which depends on a dissolving condition shall be settled by payments in cash only if the creditor provides security that he will return what he has received should that condition come about.

If the creditor does not pledge security within 15 days from the date of delivery of the decision to make payment, the amount necessary to settle his claim shall be placed in a savings account in the bank.

When it becomes certain that the condition will not come about, the creditor shall be paid his claim.

Should the dissolving condition come about, the amount returned by the creditor or deposited in the bank shall be paid to those creditors whose claims have not been fully met from the proceeds of the sale; but if there are no such creditors, that amount shall be turned over to the debtor.

Article 950

If the payment of a claim is contingent upon some suspensive condition, the claim shall be met by setting aside the appropriate amount and placing it in a savings account in the bank for payment to the creditor when the condition comes about. Should the event not come about, the amount in the savings account shall be paid to those creditors whose claims have not been fully met from the proceeds of the sale; and if there are no such creditors, that amount shall be turned over to the debtor.

Article 951

If with respect to a lien or real burden against the vessel which is the subject matter of execution notation of a dispute or notation that a complaint has been filed to delete that right has been entered in the register of ships, the claims or compensation for that right shall be met in the same manner as claims which depend on a dissolving condition.

When a lien or real burden against the vessel which is the subject matter of execution has been provisionally recorded in the register of ships, and the holder of that right proves that proceedings are under way to justify the provisional registration or that the period for institution of such proceedings has still not expired, the claim or compensation for that right shall be satisfied in the same manner as a claim governed by a suspensive condition.

Article 952

Claims which are secured by a joint contract lien shall be settled from the fund for distribution in cash.

If in the sales proceeding all vessels are sold which stand indivisibly as security for the claim, the fund for distribution of each individual vessel shall contribute to settlement of claims secured by the joint contract lien only for that amount which stands to that claim along with its secondary charges and expenses in the same proportion in which the remainder of the fund of each individual vessel which is the subject of execution stands to the sum total of the remainders of all the funds for distribution among creditors. That remainder is obtained after deduction of the amount of claims which have a higher order of priority than the claims secured by the joint contract lien.

If a creditor whose claim is secured by a joint contract lien seeks settlement in some other proportion, the creditors whose claims follow in order of priority the claims of that creditor and who therefore obtain less than they would obtain had the creditor been settled under Paragraph 2 of this article, may demand that he pay them from the various funds the amount that would go to the claims secured by the joint contract lien were the division made under Paragraph 2 of this article, if that is necessary to cover a shortage.

If in the sales proceeding all vessels which stand indivisibly as security are not sold, the basis of the calculation taken to determine the compensation owing to creditors who come after the creditors whose claims have been secured by the joint contract lien shall not be the individual funds for distribution, but the value of the individual ship burdened by the joint contract lien. The demand of those creditors for compensation shall be registered in their favor against the ships unsold in that order of priority which belonged to the completely or partially settled claim of the creditor who was secured by a joint contract lien. The court shall automatically delete that joint contract lien against unsold vessels.

Article 953

Beneficiaries of servitude which the purchaser does not assume shall be satisfied in that they shall be given compensation for their right from the proceeds of the sale.

If the beneficiaries of the servitude do not agree with the creditors who come after them in order of settlement concerning the amount of compensation referred to in Paragraph 1 of this article, the amount of compensation shall be fixed by the court, which shall specifically take into account the time the servitude has yet to run, its value, its benefit to the beneficiaries of the servitude and the beneficiary's age.

The purchaser and beneficiaries of a servitude and creditors coming after them in order of settlement may agree that the purchaser assume the servitude and deduct a certain amount of compensation for assumption of the servitude from the purchase price.

Article 954

The claim of a lien creditor which has not come due before the decision concerning settlement is rendered shall be paid even before the due date together with the amount of agreed interest computed up to the date when the decision on division of the proceeds was rendered.

If interest was not fixed for that claim, an amount corresponding to legal interest from the date the decision of settlement was rendered to the date when the claim comes due shall be deducted.

Article 955

If it is not known to whom the claim secured by a contract lien is owed when that claim is covered by the fund for distribution on the basis of its order of priority or when the creditor's whereabouts are unknown, the court shall deposit the amount pertaining to that claim in a savings account in the bank, and in the decision on distribution of the proceeds it shall specify to whom that amount belongs if the creditor does not withdraw it.

If a creditor in whose favor the amount referred to in Paragraph 1 of this article has been deposited does not withdraw that amount within 3 years from the date when it was deposited in the bank, every creditor entitled to that amount or a part of it may demand payment of the amount corresponding to his claim. If there are no such creditors, the debtor may seek payment.

Article 956

If lien creditors seeking settlement from the proceeds of the sale cannot be altogether satisfied, on the motion of one of them or of the creditor who petitioned for execution, the court shall order persons whose debts to the estate are covered by a statutory lien or contract lien to deposit in the court within a specified period the amount owed if this is necessary to settlement of the claims of the petitioner and those who have a higher order of priority of settlement.

The motion referred to in Paragraph 1 of this article shall be made during execution proceedings no later than in the hearing for division of the proceeds.

Orders to the debtor's debtors issued on the basis of Paragraph 1 of this article nullify any payment which they might make to the debtor or third person contrary to the order of the court with respect to lien creditors.

If within the period ordered by the court those amounts are not deposited, on motion of the creditor to whom the payment pertains, the court shall proceed under the provisions concerning execution to enforce monetary claims, and it shall specify which claims and in what amount shall go to the particular lien creditor.

13. Sale of Part Interest in a Vessel

Article 957

If execution by sale is conducted by the sale of part interest in a vessel, the provisions of this law concerning the judicial sale shall apply with these differences:

- 1) arrest of the vessel may be allowed only if execution is sought against partial interests exceeding half of the total value of the vessel against which execution is being conducted or if the creditor who has petitioned for execution establishes probability that there is a danger that collection of the claim would otherwise be frustrated or made considerably more difficult;
- 2) if execution is being conducted against more than half of the part interest of the vessel which is the subject matter of execution, the creditor who petitioned for execution may demand that the entire vessel be sold, but his claim shall be paid only from that portion of the proceeds pertaining to debtor's share;
- 3) any co-owner of a vessel which is the subject matter of execution is authorized before beginning of the sale to settle the claims of the creditor who petitioned for execution together with secondary claims and thus take his place;
- 4) co-owners have advantage under equal conditions over other participants in the auction in the award of a vessel which is the subject matter of execution;
- 5) if several co-owners offer the same purchase terms, the court shall divide the portion being sold among the co-owners in equal parts.

14. The Decision on Division of the Proceeds

Article 958

The court shall decide on satisfaction of the creditors and other persons entitled to settlement of claims by rendering a decision after the hearing for division of the proceeds has been held, taking into account the status shown by the register of ships, the record of execution proceedings and the results of the hearing for division of the proceeds.

In its decision on division of the proceeds the court shall rule on objections which individual creditors and other participants have made in the course of proceedings if the objection pertains to some question of law.

If the ruling on the objection depends on establishment of facts in dispute, the court shall instruct the participant who filed the objection to institute a civil action or administrative proceeding within 15 days in order to establish whether there are grounds for the objection. If the person filing the objection does not proceed according to the order of the court, it shall be as if the objection was never filed.

The court shall postpone rendering of decision on settlement of that creditor whose claim is concerned in a civil action or administrative proceeding, and the amount of the fund for distribution pertaining to the contested claim shall be deposited in a savings account in the bank.

The court shall deliver its decision on division of the proceeds to all persons who must be summoned to the hearing on division (Article 941, Paragraph 2).

The provision of Paragraph 3 of this article shall not affect the right of a person who has disputed a particular claim, but has not instituted civil action within the specified period, to institute a civil claim following termination of sales proceedings against the person whose claim he contested.

Article 959

A ruling rendered in a dispute concerning objections filed in proceedings of division of proceeds shall be effective toward all creditors and authorized parties concerned in the division and toward the debtor.

Article 960

When the decision on division of the proceeds becomes final, the court shall order that all registered rights and burdens against the ship that has been sold be deleted from the register of ships, except those which remain even after the sale.

Article 961

When the decision on division of proceeds becomes final, the court shall present to the individual creditors the amounts which are to be paid them in cash unless civil action or administrative proceedings are being conducted concerning them or if the period specified for filing a complaint or institution of administrative proceedings has expired without effect.

With respect to amounts which by order of the court are to be deposited in a savings account in the bank the court shall issue the necessary orders unless the person for whom those amounts or their interests are intended specify otherwise by agreement.

If the decision concerning division of the proceeds cannot be carried out because a civil action or administrative proceedings are under way, the amount pertaining to that portion of the decision concerning division of the proceeds shall be placed in a savings deposit in the bank until the decision on division becomes final.

Chapter III. Execution for Settlement of Nonmonetary Claims--Delivery of the Vessel

Article 962

The provisions of Articles 884, 886, 893 and 894 of this law shall be appropriately applied in the proceedings of execution by delivery of a vessel which is registered in a domestic register of ships.

The petition for rendering of a decision concerning execution by delivery of a vessel must contain the data specified in Article 882 of this law, except for the data specified in Point 6 of that article.

Article 963

Execution for delivery of a vessel which is in possession of the debtor shall be conducted in such manner that an official shall confiscate the vessel from the debtor and deliver it in exchange for a receipt to the creditor.

Execution by delivery shall be conducted under the provision of Paragraph 1 of this article even when the vessel is in possession of a third party who consents to turning the vessel over to the official.

If the third party does not consent to turning the vessel over to the official, the creditor may petition the executing court to transfer the debtor's claim for delivery of the vessel to that third person.

Article 964

The court shall inform creditors whose claims are secured by entry of a lien in the register of ships and those creditors on which there is information in the documents of execution proceedings of the delivery of the vessel which has been executed.

Article 965

If execution by delivery of the vessel is conducted against a vessel of foreign nationality, instead of proceeding according to the provisions of Article 886 of this law, the court shall take the necessary steps to inform the foreign agency keeping the register containing registration of the foreign vessel against which execution is being conducted of the institution of proceedings for delivery of the vessel unless international treaty provides otherwise.

Chapter IV. Enforcement of Claims

1. Establishment of Lien

Article 966

In order to assure monetary claims on the basis of an executive writ the creditor may petition the court for establishment of a lien against the vessel of a debtor who is a domestic legal or natural person.

Article 967

The raising of the lien referred to in Article 966 of this law against vessels registered in the register of ships shall be done by registration of the lien.

The raising of the lien referred to in Article 966 of this law against vessels which are not registered in the register of ships shall be done by inventory of the vessel.

The raising of the lien by inventory referred to in Paragraph 2 of this article shall be entered on the temporary sailing certificate.

Article 968

In the register of ships where the lien is registered an indication must be made as to the executive nature of the claim in whose favor the lien is registered.

If a lien has already been registered for the claim or if the lien was only provisionally registered, the court shall order that the executive nature of the claim be noted in the register of ships.

The executive nature of the claim shall be entered on the inventory of the vessel in the case of vessels which are not registered in the register of ships.

The provisions of Article 886, Paragraph 3, of this law shall apply with respect to the effect of the registration or notation or inventory of the vessel.

Article 969

The provisions of Article 881 of this law concerning the filing of a petition for conduct of sales proceedings and of Article 888 of this law concerning order of priority shall be appropriately applied to proceedings of establishment of a lien.

Article 970

In the case of vessels which are not registered in a register of ships, the court may order that the executive nature of the claim be entered not only in the inventory of the vessel in accordance with the provision of Article 968, Paragraph 3, of this law, but also on the temporary sailing certificate.

Article 971

Inventory of a vessel may be taken only if the vessel is in the possession or copossession of the debtor. If this is unknown to the executing court, and if the documents submitted do not establish probability, the court shall hear the debtor on this point before ordering inventory.

Article 972

The court shall inform the debtor that inventory has been ordered and shall indicate the place and time when the inventory shall be taken.

The inventory of the vessel shall be taken on the spot, so that a description of the subject matter of the inventory may be entered in the record.

If in the taking of the inventory a document is found on which the debtor's right of possession of the vessel or right of property is based, or if it proves such right, the court shall indicate the taking of the inventory on that document. When the lien against the vessel which is the subject matter of execution expires, on a motion the court shall note on that document that the lien has expired.

The court shall inform the principals that the inventory has been taken.

Article 973

Until it is established that the inventory taken of a vessel is incorrect, enforcement against that same vessel in favor of another claim of the same or other creditor for which establishment of a lien against the same vessel is subsequently sought shall not be conducted by the taking of a new inventory, but subsequent enforcement shall be conducted merely by a notation in the record of the inventory of the vessel that already exists.

Article 974

An appeal against a decision allowing establishment of a lien to secure a claim shall not stay execution of the decision.

2. Provisional Registration of a Lien

Article 975

A creditor may seek enforcement of monetary claims by the preliminary measure of provisional registration of a lien on the basis of a domestic court decision which has still not become valid or subject to execution or on the basis of a court settlement whose period for voluntary performance has still not expired if he establishes the probability of the danger that realization of his claim would be frustrated or made considerably more difficult without that assurance.

Article 976

The enforcement referred to in Article 975 of this law against the vessels registered in a register of ships shall be done by provisional registration in the register of ships in which the vessel is registered.

The enforcement referred to in Article 975 of this law against vessels not registered in a register of ships shall be done by inventory of the vessel.

Article 977

The decision ordering the preliminary measure referred to in Article 975 of this law shall among other things indicate the amount of the claim being enforced and the interest and costs and the duration of the enforcement.

If the time referred to in Paragraph 1 of this article expires before the decision or court settlement which was the basis for ordering the preliminary measure becomes subject to execution, on the creditor's motion the court shall extend the time of the enforcement provided that the circumstances under which the preliminary measure was ordered had not changed.

The court shall stay proceedings and annul steps which have been taken if within 15 days from the date of expiration of the time for which the preliminary measure was ordered the conditions for execution are not met for

settlement of the creditor's claim or for enforcement by registration of a lien (Article 966).

The court shall stay proceedings and annul the actions taken even before expiration of the time referred to in Paragraph 3 of this article for which the enforcement was ordered in the following cases:

- 1) if the debtor deposits with the court the amount of the claim which is secured along with interest and costs;
- 2) if the debtor establishes the probability that the claim was already collected or sufficiently secured at the time when the decision referred to in Paragraph 1 of this article was rendered;
- 3) if a valid finding has been rendered to the effect that the claim never arose or expired;
- 4) if the petitioner for enforcement does not propose enforcement by registration of a lien (Article 966) or execution by sale of the vessel to meet his claim within 15 days from the date when the decision or court settlement which was the basis for ordering the preliminary measure became subject to execution.

Article 978

The provisions of Article 967, Paragraph 3; Article 968, Paragraph 4; and Articles 969 through 974 of this law concerning enforcement by the raising of a lien shall be appropriately applied in the proceeding of enforcement by the preliminary measure of provisional registration of a lien.

3. Temporary Measures

Article 979

Before institution or during a civil action, execution proceeding or administrative proceeding the court may on motion of the proponent of the temporary measure allow the temporary measures of an injunction against alienation or disposition of a vessel, custody and detention of the vessel so as to secure the proponent's monetary claim if the proponent establishes probability of the existence of his claim and of the existence of the danger without the temporary measure which has been ordered the adverse party will frustrate or considerably impede subsequent realization of the proponent's claim by alienating, concealing or removing the vessel or in some other manner.

Temporary measures to secure the proponent's nonmonetary claims shall also be allowed when this is necessary to prevent violence or avert irrecoverable loss.

Article 980

The temporary measure of detaining a vessel shall consist of an injunction against the vessel's departure from the port.

Article 981

The temporary arrest of a vessel may be allowed only for the claims enumerated in Article 877, Paragraphs 2 and 3, of this law.

The provision limiting temporary arrest of a vessel solely to the claims referred to in Paragraph 1 of this article shall apply to foreign vessels only if there is reciprocity between the state whose flag is flown by the foreign vessel and the Socialist Federal Republic of Yugoslavia.

Article 982

Any vessel may be arrested if there exists a right of its possession or if it is owned by the same personal debtors or if those debtors have the right of its possession, or if it is burdened for the claim for which arrest is sought by a legal or contract lien or other lien in foreign law or for other claims as stated in Article 877, Paragraph 3, of this law which pertain to that vessel.

If the adverse party of the proponent is the charterer of the vessel--who under the law applied in the contractual relation between him and the holder of the right of possession of the vessel or shipowner or carrier is himself liable to third parties--that vessel or any other vessel on which the charterer has the right of possession or which is owned by the charterer may be detained.

The provision of Paragraph 2 of this article shall also apply in all other cases when the carrier or charterer who is the personal debtor, but who is not the holder of the right of possession of the vessel or owner of the vessel, is himself liable for the claim for which arrest of the vessel is being sought.

Only that vessel to which the petition pertains may be arrested on a petition pertaining to the right of possession of a vessel or to ownership and co-ownership of the vessel and a lien against a vessel.

Article 983

If temporary measures are ordered so as to enforce monetary claims, a court may release the vessel from arrest or custody if security or other property value in the amount of the claim for which arrest is sought be posted, provided that such security or other property value is available and transferable in favor of the creditor.

If the claims are such that the debtor may limit his liability, the amount of the security or other property value referred to in Paragraph 1 of this article may not be greater than the amount of limited liability.

When one of the courts in the Socialist Federal Republic of Yugoslavia releases a vessel from arrest on the basis of the provision of Paragraph 1 of this article, no other court within the Socialist Federal Republic of Yugoslavia may allow arrest of that or of any other vessel for the same claim and the same creditor, providing that security or other property value has been posted and are still available and transferable in favor of the creditor.

Article 984

The court shall not allow arrest of a vessel, and it may revoke arrests already allowed if the debtor proved that he has already posted reasonable security or other property value in another state for the same claim and the same creditor, provided as follows:

- 1) that the security or other property value meet the conditions referred to in Article 983, Paragraph 1, of this law;
- 2) that the state in which the security or other property interest has been posted behaves in the same manner toward security and other property value posted within the Socialist Federal Republic of Yugoslavia.

Article 985

The posting of security and other property value does not signify recognition of liability for claims for the security or other property value was posted, nor renunciation of the possibility of limitation of liability.

Article 986

In the decision in which it orders a temporary measure the court shall specify the duration.

If the court allows arrest of a vessel before institution of civil action or of execution or administrative proceedings, the proponent of the temporary measure must prove within 15 days that he has instituted a civil action or execution or administrative proceedings.

If the proponent of the temporary measure does not prove within the period stated in Paragraph 1 of this article that he has instituted civil action or execution or administrative proceedings, the court shall revoke the temporary measure allowed on the motion of the proponent's adverse party.

If the time referred to in Paragraph 1 of this article expires before the conditions for execution or enforcement by registration or provisional registration of a lien have been met, on the motion of the proponent of the

temporary measure the court shall extend its validity provided that the circumstances under which that measure was ordered have not changed.

If the time referred to in Paragraph 1 of this article expires, and conditions referred to in Paragraph 4 of this article for extension of the particular temporary measure have not been met, on motion of the adverse party of the proponent of the temporary measure the court shall stay the proceeding of enforcement of the debt and shall annul the action.

Article 987

The proceeding of enforcement of a debt shall be stayed and a temporary measure ordered shall be annulled if any of the prerequisites are met as enumerated in Article 977, Paragraph 3, Points 1 through 3, of this law.

Article 988

The holder of the right of possession of the vessel, shipowner or carrier shall bear the costs of maintaining the vessel and supporting the crew during the arrest.

If the resources for maintaining the crew are not sufficient, the court shall order the proponent of the temporary measure to advance an amount necessary for maintenance of the crew.

The proponent of the temporary measure shall bear the costs of the vessel's custody.

The provisions of Paragraphs 1 and 3 of this article shall not affect the ultimate obligation as to the bearing of those expenses.

Article 989

The temporary measure of arrest of a vessel shall not affect the rights and duties of parties arising out of a contract of carriage of goods or passengers.

Article 990

When the court grants a temporary measure against a vessel, the provisions of Article 890 of this law shall be appropriately applied without delay depending on the nature of the measure which it has granted.

Article 991

When the court grants the temporary measure of an injunction against alienation or disposition of the vessel, it shall simultaneously order that that measure be noted in the register of ships in which the vessel is registered.

When the court annuls the temporary measure referred to in Paragraph 1 of this article and when that measure becomes valid, or when the measure expires by operation of law, the court shall order that the notation referred to in Paragraph 1 of this article be deleted.

Article 992

The court may grant a temporary measure to enforce monetary claims and to enforce nonmonetary claims of a proponent of the temporary measure against a person authorized to possess cargo which is on board the vessel, that temporary measure consisting of an order that cargo be unloaded from the vessel and stored in a public warehouse or other suitable place if the proponent of the temporary measure pays the carrier the entire contracted freight still not paid him and reimburses him for all costs which he has had and which are not included in the freight.

If delivery of the freight on the basis of the provision of Paragraph 1 of this article is sought in the port where the cargo was not to be delivered under the contract of carriage, the court shall grant the temporary measure referred to in Paragraph 1 of this article only under the condition that the cargo may be unloaded without danger to the safety of the vessel and other cargo, that the unloading does not cause a sizable delay in the vessel's arrival or disruption of the sailing schedule, that no loss is inflicted on other persons authorized to possess cargo, and that other important reasons do not stand in the way of the unloading.

Article 993

An appeal against a decision ordering a temporary measure shall not stay execution of the decision.

Part Nine. The Applicable Law and the Jurisdiction of the Courts of the Socialist Federal Republic of Yugoslavia

Chapter I. General Provision

Article 994

The provisions of this part of the law apply to all relations in maritime and inland navigation.

Chapter II. The Applicable Law and Exclusive Jurisdiction of Courts of the Socialist Federal Republic of Yugoslavia Over Relations Containing an International Feature (Element)

Article 995

The provisions of this chapter of the law shall apply to every craft which is a vessel under Yugoslav law and to every craft which is a vessel under the law of the vessel's flag.

Article 996

The following are assessed according to the law of the vessel's flag:

- 1) the duties and rights of the master in management of the vessel and in establishing rights and obligations on behalf of the holder of the right of possession of the vessel or shipowner or carrier;
- 2) rights against a socially owned vessel and real rights in the vessel;
- 3) legal consequences of an event on the vessel to which the law of the place where the event occurred must be applied.

The provision of Point 3 of Paragraph 1 of this article shall apply to events which occurred on foreign vessels within the Socialist Federal Republic of Yugoslavia provided that the state of the vessel's nationality gives the same treatment to vessels which have Yugoslav nationality.

Article 997

Yugoslav law shall apply to rights with respect to a socially owned vessel under construction and to real rights in a vessel under construction which is not socially owned, but which is being built in the Socialist Federal Republic of Yugoslavia.

Article 998

The law of the vessel's flag shall govern employment relations of members of the crew of maritime vessels, and the law of the place where the vessel is registered in the register of ships shall govern employment relations of crew members of inland vessels.

Article 999

The law of the vessel's flag shall apply to limitation of liability of the carrier or other natural or legal person equivalent to the carrier under this law.

As an exception to the provision of Paragraph 1 of this article, this law shall apply if its provisions on limitation of liability are stricter than the regulations of the law of the vessel's flag.

Article 1000

The law chosen by the principals shall apply to contracts concerning shipping relations.

Article 1001

As an exception to the provision of Article 1001 of this law, this law shall apply to affreightments as follows:

- 1) to the carrier's liability for damage, shortage or loss of cargo envisaged by the provisions of this law, whose application may not be excluded by agreement among the principals, if the port of loading or destination is within the Socialist Federal Republic of Yugoslavia;
- 2) if by application of another law a passenger would be placed in a less favorable position than under the provisions of this law.

An agreement concluded contrary to the provisions of Paragraph 1 of this article shall be null and void.

Article 1002

If the law whose application the principals have chosen for affreightments cannot apply to the entire contract or to some of the relations which arise out of the contract, or if the principals have not expressly stated the law which must be applied, and their intention as to application of a particular law cannot be established even from the circumstances of the case, that law which bears closest relation to the contract or contractual relation shall apply.

If it cannot be established which law bears the closest relation to the affreightments, the following shall apply:

- 1) the law at the place where the contract was concluded--as to evaluation of the principal rights and obligations of the parties to the contract;
- 2) the law of the state of the carrier's nationality--if the contract of carriage of passengers or goods has been concluded on the basis of the carrier's general conditions established in advance;
- 3) the provisions of this law--to a towage contract.

The law of the place where particular actions have been performed or where they should have been performed shall apply in the case referred to in Paragraph 2 of this article to the manner of performance of secondary rights and obligations of the contracting parties (manner of loading and delivery of cargo, computation of time for lay days and days on demurrage, the manner of paying freight, etc.).

Article 1003

If the law whose application the parties to a salvage contract have chosen cannot apply to the entire contract or to any of the relations which arise

out of that contract, or if the principals have not explicitly chosen the law which is to be applied, and their intention as to application of a particular law cannot be established even from the circumstances of the case, that law which bears closest relation to the contract or contractual relation shall apply.

If it cannot be established which law bears closest relation to the salvage contract, the law of the state of the port where the salvage operation ended or the law of the first port the salvaged vessel reached after the completed salvage operation shall apply.

In all other cases the provisions of this law shall apply.

Article 1004

As an exception to the provisions of Article 1003 of this law, the following shall apply:

- 1) the provisions of this law--if lives have been saved when the ship or property on the ship was not salvaged at the same time, if all those persons were nationals of the Socialist Federal Republic of Yugoslavia or Yugoslav legal persons or if the salving vessel or the vessel salvaged--and, if there were more vessels, one of them--was a Yugoslav military vessel or Yugoslav public vessel;
- 2) the provisions of Article 645, Paragraphs 1 and 2; Articles 769 through 775; and Articles 778 and 781 of this law;
- 3) the provisions of the law regulating limitation and action of claims and the provisions of this law concerning limitation periods (Article 782);
- 4) the law of the state of the salving vessel's nationality--to division of the salvage award between the holder of the right of possession of the vessel or shipowner or operator of the salving vessel and the crew of that vessel.

An agreement concluded contrary to the provisions of Paragraph 1 of this article shall be null and void.

Article 1005

The following shall apply to recovery for loss resulting from collision of ships:

- 1) the law of the state in whose coastal sea or inland waters the collision occurred;
- 2) the provisions of this law--if the collision occurred on the high seas.

As an exception to the provisions of Paragraph 1 of this article, the following shall apply to recovery for loss resulting from collision:

- 1) if all the vessels involved in the collision are of the same nationality--the law of that state;
- 2) if the vessels involved in the collision have differing nationality, but the law of all those states is the same--the law of those states.

Article 1006

As an exception to the provisions of Article 1005 of this law which indicate application of a foreign law for recovery of loss from collision, the following shall apply:

- 1) the provisions of this law--if all interested persons are nationals of the Socialist Federal Republic of Yugoslavia or Yugoslav legal persons or if one of the vessels involved in the collision was a Yugoslav military vessel or Yugoslav public vessel;
- 2) the provisions of Article 754, Paragraph 2; Article 755, Paragraph 1; and Articles 756 through 762 of this law;
- 3) the provisions of the law regulating limitation on action concerning claims and the provisions of this law concerning limitation (Article 764).

An agreement concluded contrary to the provisions of Paragraph 1 of this article shall be null and void.

Article 1007

In a general average case if the law which the principals have chosen cannot apply to the entire contract or to any of the relations which arise out of the contract or if the parties have not expressly chosen a law which must be applied, and their intention as to application of a particular law cannot be established even from the circumstances of the case, the law of the port of discharge of the last portion of cargo which was on the vessel at the moment when the general average act was committed shall apply.

If all the principals in a general average case are nationals of the Socialist Federal Republic of Yugoslavia or Yugoslav legal persons, Yugoslav law shall apply in the cases referred to in Paragraph 1 of this article.

Article 1008

The law of the place of the shipyard shall apply to relations arising out of a contract concerning construction, modification or repair of vessels if the parties have not chosen the law which shall apply to those contracts or to sections of those contracts or if the law chosen is altogether or partially inapplicable.

Article 1009

The law of the insurer's domicile shall apply to the marine insurance contract and relations arising from it provided as follows:

- 1) that the principals have not expressly stated the law which must be applied to the contract, and their intention as to application of a particular law cannot be established even from the circumstances of the case;
- 2) that the law whose application the parties have stipulated cannot apply to a portion of the contract or to some legal relation in that same contract--but only to that portion of the contract or that legal relation arising out of that contract.

As an exception to the provisions of Paragraph 1 of this article Yugoslav law shall apply to relations arising out of the marine insurance contract if all persons interested in that contract are nationals of the Socialist Federal Republic of Yugoslavia with a permanent residence in the Socialist Federal Republic of Yugoslavia or Yugoslav legal persons domiciled in the Socialist Federal Republic of Yugoslavia, and the subject matters covered by insurance are exposed to the perils covered exclusively within the Socialist Federal Republic of Yugoslavia.

Article 1010

The form of a legal act in a shipping relation shall be evaluated according to the law of the place where the act was committed or where it should have been committed or according to the law which is applicable to the shipping relation as a whole.

Article 1011

The provisions of this law concerning recovery of sunken objects shall also be appropriately applied to recovery of objects sunk outside the coastal sea and inland waters of the Socialist Federal Republic of Yugoslavia if the object is social property or if the objects are covered by a right of property of a Yugoslav legal person or national of the Socialist Federal Republic of Yugoslavia, and the objects are recovered by a Yugoslav organization of associated labor, other Yugoslav legal person or national of the Socialist Federal Republic of Yugoslavia.

Article 1012

If in this law there are no provisions concerning the law applicable to some relation in this part of the law, the provisions and principles of this law, the provisions and principles of other federal laws regulating relations which have international features, the principles of the legal system of the Socialist Federal Republic of Yugoslavia and generally accepted principles of international private law shall be appropriately applied to those relations.

Article 1013

The foreign law which would be applicable under the provisions of this law shall not be applied if its application has been obtained exclusively in order to evade application of the law of the Socialist Federal Republic of Yugoslavia.

Article 1014

A Yugoslav court shall have exclusive jurisdiction to try the following:

- 1) disputes concerning the award for salvage of Yugoslav military vessels and Yugoslav public vessels, recovery for loss resulting from a collision of ships in which one vessel is a Yugoslav military vessel or Yugoslav public vessel;
- 2) cases as referred to in Articles 406, 407 and 408 of this law which arise in the course of and in connection with conduct of a proceeding for limitation of a carrier's liability being conducted by a Yugoslav court (Article 410);
- 3) cases as referred to in Article 828 of this law which arise in the course of and in connection with conduct of a proceeding for adjustment of general average when a Yugoslav court has jurisdiction to examine objections to the final general average statement (Article 829);
- 4) disputes arising in the course of and in connection with judicial execution proceeding which a Yugoslav court is conducting against maritime and inland vessels (Articles 873 and 874).

Chapter III. The Law Applicable Among the Republics and Autonomous Provinces

Article 1015

The law of the republic or autonomous province in which a vessel is registered in the register of ships shall apply to relations within Yugoslavia which have interrepublic or republic-provincial features (elements).

Article 1016

The statute of the republic or autonomous province in which the sunken object is located shall apply to recovery of sunken objects with respect to relations which have not been regulated by this law.

Article 1017

The regulations of the republic or autonomous province in which a boat or small craft is enrolled shall apply to the seaworthiness of boats; if it is

not enrolled, the applicable relations shall be those of the republic or autonomous province of the address of the holder of the right of possession of the boat or the residence of the boat's owner.

The provision of Paragraph 1 of this article shall also apply to the professional training of the boat's crew.

Part Ten. Punitive Provisions

Chapter I. Felonies

Article 1018

A crew member of a vessel or passenger on board a vessel which is not a public vessel, and who with intent to obtain some benefit for himself or to inflict injury on another commits on the high seas or at a place which does not come under the sovereignty of any state an act of violence, theft or any other forcible act against another vessel, persons or property on such vessel,

shall be punished by imprisonment of at least 2 years.

If in committing the crime referred to in Paragraph 1 of this article the offender has taken the life of any person,

he shall be punished by imprisonment to last at least 5 years or by the death penalty.

An offender shall be punished by imprisonment to last at least 1 and no more than 5 years for preparation of the crime referred to in Paragraph 1 of this article.

Article 1019

The master of a vessel or person replacing him who contrary to the provisions of Article 145 of this law does not come to the aid and does not undertake rescue of a person in vital danger on the high seas or in inland waters, unless the reasons referred to in Article 146 of this law obtain, releasing that person from the obligation of aid and rescue,

shall be punished by imprisonment to last at least 3 months and no more than 2 years.

Article 1020

The master of a vessel or person replacing him who contrary to the provision of Article 147, Paragraph 1, of this law does not undertake to salvage a vessel with which the vessel under his command has collided or which does not remove such vessel from an inland waterway, if there is danger of its sinking,

shall be punished by imprisonment not to exceed 1 year.

Article 1021

The master of a Yugoslav vessel or person replacing him, unless the reasons obtain to relieve him of that obligation as provided for in Article 148 of this law, who on the high seas does not undertake the salvage of a Yugoslav vessel which is in danger and of property from that vessel which is social property or the property of a Yugoslav legal person or a national of the Socialist Federal Republic of Yugoslavia,

shall be punished by a fine or imprisonment not to exceed 6 months.

The master of the vessel or person replacing him who contrary to the provision of Article 147, Paragraph 2, of this law does not undertake salvage of a vessel seeking aid on inland waters if the vessel under his command is in the vicinity shall be punished by the same penalty.

Article 1022

Whosoever severs or damages an underwater telecommunication cable, underwater high-voltage cable or underwater pipeline and thereby interferes with telecommunications, power transmission or transport of petroleum, gas or water,

shall be punished by imprisonment not to exceed 8 years.

Whosoever commits the act referred to in Paragraph 1 of this article out of carelessness shall be punished by imprisonment to last at least 6 months and no more than 3 years.

Chapter II. Economic Offenses

Article 1023

An organization of associated labor or other legal person shall be fined no less than 10,000 and no more than 500,000 dinars for an economic offense in the following cases:

- 1) if it fails to organize supervision over performance of the tasks to ensure the safety of navigation (Article 8, Point 1);
- 2) if it does not provide permanent exercise of surveillance so as to ensure the safety of navigation (Article 8, Point 2);
- 3) if on order of the competent agency it fails to remove from the waterway a damaged, grounded or sunken craft which is hindering or threatening the safety of navigation (Article 29, Paragraph 1).

The person responsible in the organization of associated labor or other legal person shall also be fined no less than 3,000 and no more than 30,000 dinars for the acts described in Paragraph 1 of this article.

Article 1024

An organization of associated labor or other legal person shall be fined no less than 5,000 and no more than 200,000 dinars for an economic offense in the following cases:

- 1) if it does not keep the prescribed records which are important to the safety of navigation (Article 8, Point 3);
- 2) if it does not maintain a port in a condition which guarantees safe navigation (Article 17);
- 3) if it does not submit for approval technical documentation on the basis of which a vessel is built or modified (Article 43, Point 1).

The person responsible in the organization of associated labor or other legal person shall also be fined no less than 2,000 and no more than 20,000 dinars for an economic offense for the actions described in Paragraph 1 of this article.

Chapter III. Misdemeanors

Article 1025

An organization of associated labor or other legal person shall be fined no less than 3,000 and no more than 30,000 dinars for a maritime misdemeanor or misdemeanor in inland navigation in the following cases:

- 1) if immediately upon arrival of a vessel in the first Yugoslav port it does not submit an application for admeasurement of a Yugoslav vessel built, purchased or modified abroad for a Yugoslav customer, when that vessel has not been admeasured abroad under the provisions of this law (Article 63);
- 2) if it does not submit an application for admeasurement of a Yugoslav vessel being built in a Yugoslav or foreign shipyard as soon as the plating, decks and bulkheads are installed on the ship (Article 64, Paragraph 2);
- 3) if it does not submit an application for new admeasurement of a Yugoslav vessel before completion of work of modification which alters its gross or net registered tonnage or maximum allowed displacement or carrying capacity of the vessel or does not submit such application upon arrival of the vessel in the first Yugoslav port when the work of modifying the vessel was done abroad, and the vessel has not been admeasured abroad under the provisions of this law (Article 65, Paragraphs 3 and 4);

- 4) if it puts in service or maintains in service a vessel lacking any of the ship's papers and books prescribed by this law (Articles 70 through 110);
- 5) if it appoints master of a vessel a person who does not have a maritime or inland license (Article 119, Paragraph 1);
- 6) if a vessel lacks a name or does not bear the name of its port of registration or if a service craft lacks numbers and does not bear the port of registration or if it bears such numbers though not authorized to do so (Articles 170 and 171);
- 7) if it recovers a sunken object without being authorized to recover it (Article 785).

The person responsible in the organization of associated labor or other legal person shall also be fined no less than 1,000 and no more than 10,000 dinars for a maritime misdemeanor or misdemeanor in inland navigation for the acts described in Paragraph 1 of this article.

Article 1026

The master of a foreign nuclear vessel or person replacing him shall be fined no less than 2,000 and no more than 20,000 dinars or shall be punished by imprisonment not to exceed 60 days for a maritime misdemeanor if his vessel sails into a Yugoslav port without a permit (Article 20, Paragraph 2).

Article 1027

The master of a foreign merchant vessel or person replacing him shall be fined no less than 2,000 and no more than 20,000 dinars for a maritime misdemeanor or misdemeanor in inland navigation in the following cases:

- 1) if the vessel carries goods or passengers between Yugoslav ports contrary to the provision of Article 27 of this law;
- 2) if the vessel performs piloting in the coastal sea of the Socialist Federal Republic of Yugoslavia or on inland waters of the Socialist Federal Republic of Yugoslavia (Article 35);
- 3) if without permission of the competent authority the vessel does towage which begins and ends in Yugoslav ports without calling at foreign ports (Article 647);
- 4) if without permit it salvages a vessel and goods from that vessel grounded in the coastal sea of the Socialist Federal Republic of Yugoslavia which its crew has abandoned (Article 31).

Article 1028

The following shall be fined no less than 2,000 and no more than 20,000 dinars for a maritime misdemeanor or misdemeanor in inland navigation:

1) the master of a foreign vessel or person replacing him who carries in that vessel more than 2,000 tons of oil if the vessel lacks evidence of insurance or other financial bond as to civil liability for oil pollution damage when it enters or leaves a seaport of the Socialist Federal Republic of Yugoslavia or loads or discharges oil in them (Article 21);

2) the master of a Yugoslav vessel or person replacing him in the following cases:

a) if a vessel which has a shipboard radio station does not organize continuous radio service in accordance with regulations on radio communication (Article 13, Paragraph 3);

b) if he leaves a port when his ship lacks the specified number of crew members with the prescribed professional training (Article 113);

c) if he personally does not manage the vessel when the safety of the vessel or vessel in tow so requires--and in the case of the master of a maritime vessel, if he does not manage the vessel when the vessel is entering a port, canal or river or leaving them and in all other cases when his personal management is required by the safety of the vessel and of navigation (Article 131, Paragraph 3);

d) if in a case of immediate threat of war or occurrence of a state of war between the Socialist Federal Republic of Yugoslavia and another state he does not take all measures whose necessity is evident with respect to the vessel, persons and cargo on the vessel (Article 136, Paragraphs 1 and 2);

e) if in a case of occurrence of a state of war between other states in which the Socialist Federal Republic of Yugoslavia is neutral, the vessel is in a port of one of the belligerent states or en route to a port of a belligerent state or must pass through the coastal waters or inland waters of a belligerent state and he does not seek instructions from the carrier, and if that is impossible--from the competent government authorities (Article 136, Paragraph 3);

f) if during voyage of a vessel he does not take toward a member of the crew, passenger or other person on board or on a vessel in tow who has committed a felony measures as necessary to prevent or mitigate the occurrence of harmful consequences of that crime and to bring the offender to justice (Article 142, Paragraphs 1, 2 and 4).

Article 1029

A crew member of a vessel shall be fined no less than 1,500 and no more than 15,000 dinars for a maritime misdemeanor or misdemeanor in inland navigation if in violation of his duties as prescribed by this law he does not proceed according to the rules of navigation and thereby endangers the safety of shipping or damages the vessel or cargo on it or threatens the safety of passengers on board or other crew members (Article 115).

Article 1030

The master of a vessel or master of a foreign vessel or person replacing him shall be fined no less than 1,000 and no more than 10,000 dinars for a maritime misdemeanor or misdemeanor in inland shipping if a vessel coming from abroad communicates with other vessels, organizations and persons on land before obtaining permission from the competent authorities in the port for free communication with the shore (Article 32).

Article 1031

The master of a vessel or person replacing him shall be fined no less than 500 and no more than 5,000 dinars for a maritime misdemeanor or misdemeanor in inland navigation in the following cases:

- 1) if a vessel sails outside its assigned navigation area or contrary to its specified purpose or if the vessel undertakes a voyage for which it has not been declared fit (Articles 41 and 52);
- 2) if contrary to the provisions of Article 53 of this law he carries passengers in a vessel which is not a passenger vessel;
- 3) if he embarks on board the vessel a larger number of passengers than the specified number contrary to the provisions of Article 55 of this law;
- 4) if he loads and distributes cargo on the vessel contrary to the provision of Article 56 of this law;
- 5) if the ship lacks any of the ship's papers or books contrary to the provisions of Article 68, Paragraph 1, of this law;
- 6) if on request of the authorized authorities he does not show the ship's papers and books (Article 68, Paragraph 2);
- 7) if within the prescribed interval he does not conduct drills with lifeboats, other lifesaving devices and devices for detection, prevention and fighting of fires (Article 130, Paragraph 2);
- 8) if he does not maintain machines, instruments and equipment on board the ship in proper condition or if he does not take care as to the safety

of shipboard equipment for embarkation and disembarkation of passengers and for the loading and unloading of dangerous and other cargo, and if he does not see to the proper embarkation, accommodation and discharge of passengers (Article 130, Paragraph 1).

Article 1032

The master of a vessel or person replacing him shall be fined up to 3,000 dinars for a maritime misdemeanor or misdemeanor in inland navigation in the following cases:

1) if he hires as member of the vessel's crew a person who does not have seaman's registration book or waterman's registration book or sailing permit (Article 119, Paragraph 1);

2) if at a time when all measures taken to save an imperiled vessel have been unsuccessful and if loss of a vessel is inevitable, he does not take all necessary steps to save the ship's log book; and if the circumstances of the case so allow--also measures to save other ship's books, ship's papers, charts of the particular voyage and cash in the ship's safe (Article 133, Paragraph 2);

3) if he fails to submit a report together with the abstract from the ship's log to the competent authority in Yugoslavia or abroad (Article 134, Paragraphs 1, 2 and 3) concerning an event which occurs on board the ship during the voyage and which threatens the safety of the vessel, a vessel in tow or the safety of navigation, or concerning an exceptional event which has occurred on board the vessel, on a vessel in tow, to passengers, other persons or property on board or to a vessel in tow;

4) if he does not make a record in the prescribed manner of the fact of a birth or death and of the taking of a declaration of last will and testament and does not submit such record to the competent agency in the first domestic port, or abroad--to the nearest diplomatic or consular mission of the Socialist Federal Republic of Yugoslavia (Article 134, Paragraph 5);

5) if he does not send a radio report of any immediate danger to the safety of navigation he encounters (Article 135);

6) if he does not report a crime committed on board or on a vessel in tow while the vessel is abroad to the diplomatic or consular mission of the Socialist Federal Republic of Yugoslavia in the country of the first port the vessel entered following the commission of the crime or if he does not handle the offender according to the instructions of that diplomatic or consular mission (Article 142, Paragraph 3);

7) if he does not report to the agency referred to in Article 143 of this law that a crew member who is a national of the Socialist Federal Republic of Yugoslavia has jumped ship abroad;

8) if within the prescribed period and in the specified manner he does not enter in the ship's log a description of events, actions and measures taken when he is required to answer them in the ship's log (Article 134, Paragraphs 1 and 4; Article 135, Paragraph 2; Article 139, Paragraph 2; Article 141, Paragraph 2; Article 142, Paragraph 5; and Article 143, Paragraph 3);

9) if he does not enter in the ship's log the reasons why he did not go to the aid of persons in danger and did not undertake their rescue or the reasons why he did not undertake the salvage of a vessel and property on a vessel (Article 149);

10) if he did not communicate to a vessel with which the vessel under his command collided, though he could have done so, the name of the last port from which he sailed and the name of the port to which he is sailing (Article 163).

Article 1033

A member of a vessel's crew shall be fined up to 2,000 dinars for a maritime misdemeanor or misdemeanor in inland navigation if he throws on the waterway objects or substances which might hinder or threaten the safety of navigation (Article 29, Paragraph 2).

Article 1034

An individual shall be subject to penalty for a maritime misdemeanor in inland navigation in the following cases:

1) a fine of not less than 2,000 and not more than 10,000 dinars in the following cases:

a) the charterer--if he commits an act as set forth in Article 1024, Paragraph 1, Point 3, of this law;

b) the shipowner--if he commits an act as set forth in Article 1025, Paragraph 1, Point 4, of this law;

c) a person committing an act as set forth in Article 1025, Paragraph 1, Point 7, of this law;

2) a fine of not less than 500 and not more than 5,000 dinars:

a) the shipowner--if he commits an act as set forth in Article 1025, Points 1, 2, 3, 5 and 6, of this law;

b) if he commits an act as set forth in Article 1033 of this law.

Article 1035

In addition to the fine for a maritime misdemeanor or misdemeanor in inland navigation as set forth in Article 1028, Point 2, and Article 1029 of this law, the precautionary measure of withdrawing all or certain authorities to perform the functions of his particular rating on any vessel may be pronounced against the member of a vessel's crew for a period not to exceed 2 years.

Part Eleven. Powers and Transitional and Terminal Provisions

Article 1036

The Federal Executive Council shall have the following powers under this law:

- 1) to prescribe the conditions which must be met by ports for international navigation and waterways on which international or intergovernmental rules apply;
- 2) to prescribe the conditions which must be met by winter harbors open for winter accommodation of foreign vessels on inland waterways on which international or intergovernmental rules apply;
- 3) to designate ports or the part of a port and winter harbor intended for international navigation or exclusively for military needs and their boundaries;
- 4) in a case of change in the rate of exchange of the dinar to prescribe new monetary amounts for limitation of the carrier's liability as provided for in Articles 380, 381, 382, 567, 626 and 627 of this law.

The Federal Committee for Transportation and Communications shall issue regulations on the following:

- 1) the display and flying of the flag of the Merchant Marine of the Socialist Federal Republic of Yugoslavia and of signals on vessels of the Merchant Marine of the Socialist Federal Republic of Yugoslavia;
- 2) markers on inland waterways and waterways in the coastal sea of the Socialist Federal Republic of Yugoslavia;
- 3) navigation in the coastal sea of the Socialist Federal Republic of Yugoslavia and on inland waterways of the Socialist Federal Republic of Yugoslavia where international or intergovernmental rules apply, on inland waterways which pass through two or more republics or which constitute the boundary between two or more republics;
- 4) safety of life at sea and on inland waterways;

- 5) avoidance of collisions at sea;
- 6) ratings, qualifications for ratings and authority of crew members of vessels of the Merchant Marine of the Socialist Federal Republic of Yugoslavia;
- 7) the minimum number of crew members for safe navigation which vessels of the Merchant Marine of the Socialist Federal Republic of Yugoslavia must have;
- 8) seaman's registration books, waterman's registration books and sailing permits;
- 9) registration of vessels in various registers, the data to be entered on sheet a of the main book of the register of ships, complete sets of certificates, auxiliary books kept along with registers of ships and the forms of such documents and books;
- 10) the content, forms and manner of keeping ship's papers and the log books of ships of the Merchant Marine of the Socialist Federal Republic of Yugoslavia;
- 11) assignment of names and numbers of vessels and boats and call signs of vessels, the category of navigation of maritime vessels and the keeping of records concerning the names of vessels.

The regulations referred to in Paragraphs 1 and 2 of this article may specify maritime misdemeanors and misdemeanors in inland navigation and may prescribe penalties for such misdemeanors within the limits defined by law.

Article 1037

Registers of inland ships as envisaged by Article 181, Paragraph 1, Point 1, of this law shall be introduced within 1 year from the date when this law takes effect.

Article 1038

Inland vessels entered in a register or directory under the provisions of the Code of Regulations on Registration of Inland Vessels (SLUZBENI LIST FNRJ [OFFICIAL GAZETTE OF THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA], No 52, 1959), which under the provisions of this law are registered in registers of inland vessels, shall be transferred from the previous registers and directories to registers of inland vessels.

Transfer of registration of the vessels referred to in Paragraph 1 of this article from the previous registers or directories to registers of inland vessels shall be done automatically, and the data now contained in the present registers and directories shall be transferred.

Transfer of registration of inland vessels from the previous registers and directories to registers of inland vessels shall be done within 1 year from the date when this law takes effect.

Article 1039

Seaworthiness certificates issued vessels before this law takes effect shall be valid under the conditions and for the time stated under previous regulations.

The period of validity of the ship's certificate with respect to seaworthiness of an inland vessel shall be the period for the regular survey of the vessel.

Article 1040

On the date when this law takes effect the following shall cease to be valid:

- 1) Law on Establishment of the Flag of the Merchant Marine and Inland Shipping of the Federal People's Republic of Yugoslavia (SLUZBENI LIST FNRJ, No 11, 1950);
- 2) Law on Affreightments of Maritime Vessels (SLUZBENI LIST FNRJ, No 25, 1959, and SLUZBENI LIST SFRJ, No 20, 1969);
- 3) Law on Establishment of the Seaworthiness of Inland Vessels and Craft (SLUZBENI LIST SFRJ, No 18, 1964, and No 47, 1965);
- 4) Law on Papers and Books of Maritime Vessels and Inland Craft (SLUZBENI LIST SFRJ, No 18, 1964, and No 20, 1969);
- 5) Basic Law on Navigation Safety Service (SLUZBENI LIST SFRJ, No 39, 1964, and No 47, 1965);
- 6) Law on Registration of Maritime Vessels and Boats (SLUZBENI LIST SFRJ, No 8, 1965);
- 7) Law on Crews of Vessels of the Yugoslav Merchant Marine (SLUZBENI LIST SFRJ, No 8, 1965);
- 8) Law on Salvage at Sea and on Inland Waterways (SLUZBENI LIST SFRJ, No 11, 1966);
- 9) Law on Recovery of Sunken Objects (SLUZBENI LIST SFRJ, No 11, 1966);
- 10) Law on Recovery for Loss Resulting From Collision of Ships (SLUZBENI LIST SFRJ, No 11, 1966);

- 11) Basic Law on Crews of Inland Craft (SLUZBENI LIST SFRJ, No 14, 1966);
- 12) Law on Admeasurement of Maritime Vessels and Boats (SLUZBENI LIST SFRJ, No 31, 1964, and No 23, 1967);
- 13) Articles 3 and 40 of the Basic Law on Use of Ports (SLUZBENI LIST SFRJ, No 2, 1968);
- 14) Article 14, Paragraph 3; Article 5, Point 1; and Article 13 of the Law on Maritime Piloting (SLUZBENI LIST SFRJ, No 14, 1965);
- 15) Articles 6 and 10 of the Law on the Institution for Maintenance of Marine Waterways (SLUZBENI LIST SFRJ, No 50, 1974);
- 16) Articles 6 and 10 of the Law on the Institution for Maintenance of Inland Waterways (SLUZBENI LIST SFRJ, No 50, 1974);
- 17) Article 65, Paragraph 2, of the Law on Crossing the National Boundary and Movement in the Border Zone insofar as it pertains to enactment of detailed regulations concerning prohibited zones in inner coastal waters (SLUZBENI LIST SFRJ, No 6, 1973).

Article 1041

Within 3 months from the date when this law takes effect the following must be brought into conformity with the provisions of this law:

- 1) Regulation on Display and Flying of the Flag of the Merchant Marine and Inland Shipping of the Federal People's Republic of Yugoslavia and of Signals on Vessels of the Merchant Marine and Inland Shipping (SLUZBENI LIST FNRJ, No 45, 1950---supplement 7, and No 20, 1951; No 56, 1951; and No 53, 1962);
- 2) Regulation on Markers on Waterways in the Coastal Sea of the Federal People's Republic of Yugoslavia (SLUZBENI LIST FNRJ, No 33, 1952);
- 3) Regulation on Content and Manner of Keeping Ship's Papers and Log Books of Maritime Vessels and Inland Craft (SLUZBENI LIST SFRJ, No 22, 1965, and No 57, 1965);
- 4) the provisions of the Regulation on Assignment of Names and Numbers of Maritime Vessels and Boats and Call Signs of Maritime Vessels (SLUZBENI LIST SFRJ, No 36, 1965, and No 52, 1965) which pertain to maritime vessels;
- 5) Regulation on the Number of Professionally Trained Crew Members Which Vessels of the Yugoslav Merchant Marine Must Have (SLUZBENI LIST SFRJ, No 48, 1965, and No 35, 1968);

- 6) Regulation on Seaman's Registration Books and Sailing Permits (SLUZHENI LIST SFRJ, No 56, 1965; No 41, 1967; and No 25, 1969);
- 7) Regulation on the Minimum Number of Crew Members for Safe Navigation of Inland Craft (SLUZHENI LIST SFRJ, No 52, 1966);
- 8) Regulation on Avoidance of Collisions at Sea (SLUZHENI LIST SFRJ, No 2, 1966);
- 9) Regulation on Waterman's Registration Books and Sailing Permits (SLUZHENI LIST SFRJ, No 10, 1968, and No 22, 1971);
- 10) Regulation on Navigation on Inland Waterways (SLUZHENI LIST SFRJ, No 14, 1970, and No 48, 1975);
- 11) Directive on Categories of Navigation of Maritime Vessels (SLUZHENI LIST SFRJ, No 36, 1965);
- 12) Instruction on Forms of Registers of Maritime Vessels and Other Documents and Auxiliary Books Kept Along With Registers of Maritime Vessels (SLUZHENI LIST SFRJ, No 36, 1965).

Article 1042

On the day when the relevant regulations of the republic or autonomous province take effect, but no later than 3 months from the date when this law takes effect, the following shall cease to be valid:

- 1) Regulation on Pontoon Bridges Over Navigable Rivers and Passage of Ships and Other Craft Through a Pontoon Bridge (SLUZHENI LIST FNRJ, No 2, 1946);
- 2) Regulation on Reporting of Births and Deaths, on Taking of Declarations of Last Will and Testament and on Procedure With Property of Persons Who Have Died on Board Vessels of the Merchant Marine of the FNRJ (SLUZHENI LIST FNRJ, No 109, 1949);
- 3) Regulation on Registration of Inland Craft (SLUZHENI LIST FNRJ, No 52, 1950);
- 4) Regulation on Registration of Seagoing Boats (SLUZHENI LIST SFRJ, No 38, 1965);
- 5) Regulation on Procedure in Case of Births and Deaths, the Finding of an Abandoned Newborn Infant and the Receipt of A Will for Safekeeping on an Inland Vessel (SLUZHENI LIST SFRJ, No 38, 1966);
- 6) Directive on Territorial Jurisdiction of Seaport Harbor Master's Offices as to the Issuance of Seaman's Registration Books (SLUZHENI LIST FNRJ, No 27, 1954, and No 47, 1954);

- 7) Directive on Restriction of Navigation in the Area of Marler Promontory (SLUZBENI LIST FNRJ, No 1, 1960);
- 8) Directive on Navigation of Ships and Boats Through the Pasman Channel (SLUZBENI LIST SFRJ, No 12, 1965);
- 9) Directive on Competence of Certain Seaport Harbor Master's Offices to Register Maritime Vessels (SLUZBENI LIST SFRJ, No 36, 1965);
- 10) Directive on Passage of Maritime Vessels Through the Saint Ante Channel Near Sibenik (SLUZBENI LIST SFRJ, No 23, 1967);
- 11) Directive on Navigation of the Neretva River (SLUZBENI LIST SFRJ, No 17, 1968).

Article 1043

On the date when the appropriate technical regulations are issued by the Jugoregistar, but no later than 3 months from the date when this law takes effect, the following shall cease to be valid:

- 1) Regulation on Lifesaving Equipment on Vessels of the Merchant Marine of the Federal People's Republic of Yugoslavia (SLUZBENI LIST FNRJ, No 15, 1955);
- 2) Regulation on Procedure for Admeasurement of Maritime Vessels and Seagoing Boats (SLUZBENI LIST SFRJ, No 40, 1964, and No 17, 1969);
- 3) Regulation on Safety in Operation of Equipment for Loading and Unloading Cargo on Maritime Vessels and Inland Craft (SLUZBENI LIST SFRJ, No 32, 1966);
- 4) Regulation on Conditions for Conduct of the Trial Run of Inland Craft (SLUZBENI LIST SFRJ, No 40, 1966);
- 5) Regulation on the Manner of Measurement and Computation of Registered Tonnage in the Admeasurement of Maritime Vessels and Seagoing Boats (SLUZBENI LIST SFRJ, No 2, 1969);
- 6) Directive on Lifesaving Equipment on Tankers of the Merchant Marine of the Federal People's Republic of Yugoslavia (SLUZBENI LIST FNRJ, No 3, 1959);
- 7) Directive on the Equipping of Existing Maritime Cargo Vessels Making International Voyages With an Emergency Firefighting Pump and Life Rafts (SLUZBENI LIST SFRJ, No 2, 1968).

Article 1044

Relations which came about before this law takes effect shall be governed by the statutes which were in effect or the rules of law which were applied at the time when those relations came about.

Article 1045

The regulations referred to in Article 1036 of this law, if enacted before 31 December 1977, may not take effect before 1 January 1978.

Article 1046

This law shall take effect on 1 January 1978.

7045

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END